# Consolidated Financial Statements and Separate Financial Statements as at 31 December 2024

Financial Statements prepared in accordance with IAS/IFRS accounting standards

- Figures in Euro -

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# Corporate Bodies

## Board of Directors

(In office until approval of the Financial Statements as at 31 December 2025)

| Name and Surname | Office |
|---|---|
| Matteo Monfredini | Chairman of the BoD with proxies |
| Nazzareno Gorni | Deputy Chairman of the BoD with proxies |
| Micaela Cristina Capelli | Director with proxies |
| Paola De Martini | Independent Director without proxies |
| Ignazio Castiglioni | Independent Director without proxies |

## Board of Statutory Auditors

(In office until approval of the Financial Statements as at 31 December 2025)

| Name and Surname | Office |
|---|---|
| Michele Manfredini | Chair of the Board of Statutory Auditors |
| Fabrizio Ferrari | Regular Auditor |
| Donata Paola Patrini | Regular Auditor |
| Andrea Bonelli | Alternate Auditor |
| Maria Luisa Guaschi | Alternate Auditor |

## Independent auditing firm

(In office until approval of the Financial Statements as at 31 December 2025)

BDO Italia S.p.A.

# 1. Growens Group

The Growens Group (hereinafter also referred to as "Growens Group" or "Group") is an operator active in two main business areas:

1. Software-as-a-Service ("**SaaS**"), comprising the development and marketing of Cloud services offered to its customers, with particular focus on content design. These services are performed by the subsidiary Bee Content Design Inc. (hereinafter "Beefree" or "Bee Content Design"), which operates with over 1 million free users, more than 9,600 customers and over 1,000 applications;
2. Communication Platform as-a-Service ("**CPaaS**"), through its subsidiary Agile Telecom S.p.A. (hereafter "Agile Telecom"), which develops and sells technologies for the mass sending of SMS, for marketing and transactional purposes, benefiting from numerous interconnections to B2B operators.

At the consolidated level, the Group operated in over a hundred countries and had a workforce of around 150 employees at the end of the 2024 financial year. Within the Group, Growens S.p.A. (hereinafter also referred to as "Growens" or the "Company") operates as a parent company and holding company, providing staff services to its subsidiaries and dealing with strategic policy-making and M&A (merger and acquisition) activities.

# Growens Group structure

The Group as at 31 December 2024 can be represented as follows:


Growens holds a controlling stake in Agile Telecom. The controlling stake in the US subsidiary, Bee Content Design, has increased to 97.71% from the former holding of 96.9%. On 18 March 2024, the Board of Directors of the US subsidiary Bee Content Design resolved to request Growens to partake in a share capital increase, with the total amount, including the share premium, coming to USD 15 million. The precise subscription price of the newly issued Bee Content Design shares, resulting from the 409A valuation carried out by an independent specialist, is USD 7.26 each. Of this price, USD 0.01 constitutes share capital, resulting in the issuance of 2,066,116 total shares. The capital increase, fully subscribed by Growens, is to be paid in one or more tranches by offsetting Growens' receivables from BEE arising from the provision of intercompany services already provided by the parent company. On 12 December 2024, Bee Content Design's Board of Directors requested the Company to subscribe to and release an initial tranche amounting to USD 13.5 million from the designated capital increase, resulting in the issuance of 1,859,504 shares. This request was subsequently approved and implemented by Growens' Board of Directors on 17 December 2024. As a consequence of Growens subscribing to the first tranche, the Company now owns a total of 6,947,004 BEE shares, which constitutes 97.71% of the corresponding share capital.

**Bee Content Design Inc.**, with HQ in San Francisco, organised according to the dual company model, with a business team located in the United States, and a technological team located in Italy, is focused on the development and commercialisation of the innovative content editor Beefree. The Business Unit's technology services comprises **Beefree** and **Beefree SDK**. The evolution of the brand reflects two established key points in the company's recent history: growth beyond e-mail editing and its commitment to creating limitless content for all. Beefree is indeed active in the field of no-code tools for designing e-mails, landing pages, pop-ups and other digital content. Beefree has expanded its reach to include advanced artificial intelligence capabilities, collaboration tools and further integrations, also expanding its user base. Beefree's tools for designing e-mail and other digital content are now used by more than 500,000 single users every month in over 195 countries. Directly on beefree.io, there are more than 40,000 monthly customers, including freemium customers, and Beefree's solutions have been integrated into more than 1,200 third-party applications, consolidating its presence in the digital landscape. Prominent accounts encompass both major digital enterprises and multinational conglomerates from diverse industries, including Sandoz, Google LLC, Iterable, Dealcloud, and Bloomreach. For the Group, Beefree is the engine for future growth, following the divestment of the *Email Service Provider* business in 2023 and the sale of Datatrics BV. On 15 April 2024, Beefree signed an asset purchase agreement (APA) concerning the acquisition of the email design business of the US company Really Good Emails, Inc. ("RGE"). RGE owns a website and related software that offers an extensive collection of email templates. Further details on this transaction are provided later in this Report;

**Agile Telecom S.p.A.**, is an operator authorized by the Ministry of Economic Development and Communication to offer a public communication service (OLO - Other Licensed Operator) and is also registered with the Register of Operators in Communication (ROC) held by the Italian Authority for Telecommunications Guarantees (AGCOM). Agile Telecom is a leader in the Italian wholesale SMS market and manages the sending out of promotional and transactional A2P messages (One-Time Password, notifications and alerts). Agile Telecom is also strengthening its position in the digital communications sector, expanding its portfolio with advanced CPaaS (Communications Platform as a Service) solutions such as Mobile Number Portability (MNP), termination via RCS (Rich Communication Services) and further developing channels such as Telegram Business and WhatsApp for Business.

# 2. Summary data

## Significant events in the year ended as at 31 December 2024

In 2024, the activities of the Group were characterised by the events indicated below.

On 22 January 2024, Growens announced the appointment of Justine Jordan as Head of Strategy & Community at Beefree. In her new role, Justine Jordan has joined the Management Team reporting directly to Beefree CEO, Massimo Arrigoni, with responsibility for guiding the company's strategic choices and ensuring top management's alignment to key decisions, ensuring that all employees are fully involved in strategic objectives and driving community-focused initiatives.
Throughout her career, Justine Jordan has contributed significantly to the evolution of the email marketing industry. Named Email Marketer Thought Leader of the Year in 2015, she has led the marketing of high-growth B2B SaaS companies, contributing to successful results (such as Salesforce's acquisition of ExactTarget) and holding key roles in companies such as Wildbit, Litmus, Help Scout, Postmark and ActiveCampaign.

On 19 March 2024, the Board of Directors resolved to propose to the Shareholders' Meeting the distribution of an extraordinary dividend equal to Euro 1.58 per share, to be paid as follows: (i) first tranche - Euro 0.79 per share deriving from the distribution of extraordinary profits - payment date 8 May 2024, ex-dividend date 6 May 2024 and record date 7 May 2024; (ii) second tranche - Euro 0.79 per share deriving from the distribution of extraordinary profits - payment date 4 September 2024, ex-dividend date 2 September 2024 and record date 3 September 2024. The ordinary Shareholders' Meeting ratified the proposal on 18/04/2024.

On 15 April 2024, the Company announced that its US subsidiary BEE Content Design, Inc. ("Beefree") entered into an asset purchase agreement subject to US law to govern the acquisition of the email design business of the US-registered company Really Good emails, Inc. (RGE).
RGE owns, among other things, a website and related software that offers an extensive collection of email templates. The synergy between the RGE website's email catalogue, which allows users to take inspiration for the creation of their own campaigns, and the "Beefree" software, which in turn allows them to design email campaigns, will thus enable the US subsidiary to expand its audience and consequently the number of its customers.

The transaction involved the sale and purchase of RGE assets, including, in particular, the company's website, related software, customer contracts and brands used in the conduct of business, for a purchase price of USD 400,000, plus an earn-out component of up to USD 6 million if certain profitability targets are achieved over the three-year period 2024-2026.

Following the transaction, Mike Nelson (co-founder of RGE) took over as Head of Growth and Matt Helbig (co-founder of RGE) took over as Senior Email Marketing Manager. Justine Jordan, who was appointed Head of Strategy & Community at Beefree at the beginning of January, also helped to organise and run the Unspam events.

# 3. Summary report

## Highlights Consolidated Income Statement

| Description | 31/12/2024 | 31/12/2023* | Change |
|---|---|---|---|
| Total revenues | 74,460,302 | 75,060,458 | (600,156) |
| EBITDA | (110,744) | (558,710) | 447,967 |
| Pre-tax result (EBT) | (2,708,136) | (2,662,612) | (45,524) |
| Net result from continuing operations | (2,535,045) | (3,025,338) | 490,293 |
| Period profit | (2,535,045) | 58,131,733 | (60,666,778) |

*** the comparison column of the 2023 financial year of the consolidated income statement, in compliance with the application of the IFRS5 standard, highlights the continuing operations relating to the same current scope of consolidation. Such an effect is also repeated in the subsequent accounts presented in this document.**

## Highlights Consolidated Balance Sheet

| Description | 31/12/2024 | 31/12/2023 | Change |
|---|---|---|---|
| Fixed assets | 25,809,728 | 23,343,615 | 2,466,113 |
| Current assets | 33,772,845 | 58,857,332 | (25,084,487) |
| Current liabilities | 20,554,404 | 20,749,589 | (195,184) |
| Non-current liabilities | 4,458,213 | 4,582,525 | (124,312) |
| Shareholders' equity | 34,569,956 | 56,868,834 | (22,298,878) |
| Net financial position | (13,001,470) | (42,092,944) | 29,091,473 |

## Highlights Separate Income Statement

| Description | 31/12/2024 | 31/12/2023* | Change |
|---|---|---|---|
| Total revenues | 14,590,972 | 10,309,673 | 4,281,299 |
| EBITDA | 692,715 | (2,376,848) | 3,069,563 |
| Pre-tax result (EBT) | 2,508,354 | (745,184) | 3,253,538 |
| Net result from continuing operations | 2,161,469 | (736,075) | 2,897,544 |

| | | | |
|---|---|---|---|
| Comprehensive operating profit | 2,161,469 | 56,069,522 | (53,908,053) |

### Highlights Separate Balance Sheet

| Description | 31/12/2024 | 31/12/2023 | Change |
|---|---|---|---|
| Fixed assets | 31,533,631 | 18,909,607 | 12,624,024 |
| Current assets | 20,684,582 | 51,990,712 | (31,306,130) |
| Current liabilities | 7,855,243 | 8,042,369 | (187,126) |
| Non-current liabilities | 2,943,338 | 3,743,610 | (800,272) |
| Shareholders' equity | 41,419,631 | 59,114,339 | (17,694,708) |
| Net financial position | (10,296,852) | (37,467,411) | 27,170,559 |

# 4. Consolidated and separate annual Report on Operations for the year as at 31 December 2024

## Introduction

This Report on Operations is presented for the purposes of the consolidated and separate financial statements of Growens, and prepared in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union.

In this document, information is provided regarding the Group's consolidated position and separate related to the parent company Growens. This Report, drawn up with balances expressed in Euro, is presented so as to accompany the consolidated and separate annual financial statements for the purpose of providing income-related, equity, financial and operating information of the Group accompanied, where possible, by historic elements and forecasts valuations.

As regards the consolidated financial statements, which strive to ensure standardized measurement criteria and have been prepared on the basis of full consolidation, please note that the consolidation scope is as shown below (as at 31 December 2024):

| Company name | HQ | Share capital | Percentage of ownership |
|---|---|---|---|
| GROWENS S.p.A. | Milan | Euro 384,834 | parent company |
| AGILE TELECOM S.p.A. | Carpi (MO) | Euro 500,000 | 100% |
| BEE CONTENT DESIGN Inc. | United States of America | Euro 60,475* | 97.71% |

(* historic exchange rate applied as at the date of first consolidation)

## Economic context for FY 2024*

At the beginning of 2024, signs of a strengthening global economy emerged, with growth driven by services and, to some extent, manufacturing. In the US, consumption remained robust and employment grew more than expected. In China, industrial activity expanded, while domestic demand remains weak, fuelling trade imbalances with advanced countries. According to IMF and OECD estimates, world GDP will grow by just over 3% in 2024, held back by restrictive monetary policies, while world trade will expand by 2.2%. The main downside risks for the global economy are related to the escalation of ongoing conflicts. In Q4 2024, economic activity remained robust in the US but lost momentum in the other developed countries. In China, the real estate market crisis is still weighing on domestic demand. According to current estimates, world trade will expand by just above 3 percent in 2025, in line with the expected trend in global output.

In the US and UK, disinflation came to a halt in the first months of 2024, leading to the stabilisation of interest rates by the Federal Reserve and the Bank of England, which kept rates unchanged for the seventh consecutive meeting in June. The Bank of Japan also kept rates unchanged, breaking the yield curve control. Investors postponed the expected monetary easing in the US, while in the Euro area financial conditions were affected by political uncertainty in France. Inflation continued to decline in the United States. In September, for the first time since March 2020, the Federal Reserve cut its policy rates (by 50 basis points, to 4.75-5.00 percent), in light of lower inflation and a slowdown in the labour market. The Bank of England, which had cut rates in August, kept them unchanged in September. In Japan, the BoJ raised its policy rates at the end of July; the expectation of further increases, coinciding with the publication of disappointing data on the US economy, triggered strong tensions in international financial markets at the beginning of August, which have since largely subsided. To support economic growth, the Chinese Central Bank launched a package of extraordinary expansionary measures in September, in addition to the cut in policy interest rates implemented last July. In line with expectations, inflation then rose slightly in the United States; it fell slightly in the United Kingdom, while in Japan it rose more than expected. During its December meeting, the Federal Reserve once again reduced its key interest rates by 25 basis points to a range of 4.25-4.50 per cent. Unlike previous meetings, the members of the Federal Open Market Committee anticipate a more gradual normalisation of monetary policy due to the slower decline in inflation and the persistently low unemployment rate. This has contributed to the strong appreciation of the Dollar against other major currencies, including the Euro. In the same month, the Bank of England and the Bank of Japan left their rates unchanged. The Chinese authorities announced a package of measures to support domestic consumption, which would complement the Central Bank of China's commitment to maintain an expansionary monetary stance.

Euro area H1 GDP stagnated due to weakness in industry, with signs of recovery in services. Disinflation eased, mainly due to sustained dynamics in service prices. The ECB kept rates unchanged in April, but cut them by 25 basis points in June, maintaining a data-driven approach to ensure inflation returns to its medium-term target. Throughout the summer, the significant stagnation of the Eurozone's GDP persisted. The manufacturing sector remained lacklustre, whereas the services sector continued to grow, buoyed by the strong performance of the tourist season. Inflation continued its downward trajectory in September, including the core component. Service prices continue to exhibit significant volatility, particularly those that react to past inflation with a delay. By the close of 2024, economic growth within the eurozone had faltered, adversely affected by subdued consumption and investment coupled with a decline in exports. Manufacturing trends remain lacklustre, particularly within Germany; furthermore, the momentum generated by the services sector has waned as well. Inflation maintains a moderate level of approximately 2 per cent, with the core component remaining generally stable. Within services, price changes are still relatively high, partially due to delayed adjustments to past inflation. In December, the Eurosystem's specialists adjusted the growth projections for the area downwards, anticipating an increase of over 1 per cent per annum throughout 2025 to 2027. Meanwhile, inflation is projected to stabilise around the European Central Bank's target rate of 2 per cent.

In Italy, economic activity grew moderately in the first quarter of 2024, buoyed by services, especially tourism, which benefited from the good spending trend of foreign travellers, however with a downturn in manufacturing and construction. The current account balance remains positive, thanks to the mercantile surplus and higher net purchases of Italian securities by foreign investors. Employment increased, showing historically low unemployment rates. Wages were on the rise thanks to contract renewals, but inflation remained at low levels, with a slower decline in services due to high demand in tourism. Growth in the summer months was moderate; a renewed expansion in services was combined with persistent weakness in manufacturing. Aggregate demand benefited mainly from the consumption trend, supported by the recovery of disposable income, against a negative contribution of net exports, in a context of sluggishness in the main Eurozone economies. In Q2 2024, the current account surplus widened, mainly due to the reduction of the primary income deficit and the services balance, which returned to positive territory. In Q4 2024, economic activity in Italy remained weak, being affected, as in the rest of the Euro area, by the persistent weakness of manufacturing and the slowdown in services. In the construction industry, the positive impact generated by the projects under the National Recovery and Resilience Plan was offset by a contraction in the residential market. Domestic demand is likely to be restricted due to a decline in household spending, coupled with investment conditions that continue to be unfavourable. The current account balance narrowed in the third quarter, although is still in surplus. The net international investment position was further strengthened. Foreign investors sustained their high purchases of Italian Government Bonds, resulting in a narrowed yield spread between the 10-year Italian note and the equivalent German bond.

The cost of credit remained high at the beginning of 2024, dampening demand for loans. The downturn in corporate lending continued, influenced by the high cost of credit and banks' perception of risk. The European Commission has announced its intention to open excessive deficit procedures against five Euro area countries, including Italy. Despite the reduction of the deficit compared to 2023, the deficit ratio is expected to remain above 3% of GDP in 2024 and 2025. With regard to the National Recovery and Resilience Plan, the Italian Government requested the payment of the sixth instalment at the end of June and the European Commission preliminarily approved the application for the fifth instalment. Financing conditions for households and businesses subsequently benefited from the reduction in the cost of borrowing. Despite a slight easing of lending standards in the spring, bank lending to non-financial corporations continued to contract, mainly due to lower demand for investment credit. In contrast, the reduction in household lending halted and, albeit slightly, resumed growth for the first time since early 2023. The reductions in the ECB's key interest rates are being transmitted to the borrowing and lending costs, consistent with historical trends. Amidst weak investments, business demand for financing remains modest. The gradual resumption of mortgages to households continues.

At the beginning of the year, Italian GDP was projected to grow by 0.6% in 2024, 0.9% in 2025 and 1.1% in 2026, with inflation below 2%. The projections confirmed the earlier estimates, with GDP growth anticipated at 0.6 per cent (or 0.8 per cent when excluding the working days adjustment) and suggesting an acceleration in the subsequent two years, wherein output is expected to cumulatively grow by more than 2 per cent. According to the Government's evaluations, the budgetary law ratified in December results in an increase of 0.4 percentage points in the net borrowing to GDP ratio in 2025, 0.6 percentage points in 2026, and 1.1 percentage points in 2027. Approximately half of the funds allocated for expansionary initiatives would be dedicated to making the reforms to reshape the personal income tax (Irpef) and reduce the tax wedge.

* Source: Economic Bulletin 2-3-4/2024, 1/2025 - Bank of Italy

## The Group

For a more in-depth analysis of the structure of the Group, please refer to the initial pages of this document illustrating the relative details.

## Significant events during 2024

For a description of the main events of the year, please refer to as outlined in the introduction to this document.

## GROW share performance in the course of 2024 and Investor Relations activities

Below is some data on the prices and volumes of the Growens stock (GROW) in 2024

| | | |
|---|---|---|
| Placing price | Euro 1.92* | 29/07/2014 |
| Maximum price FY 2024 | Euro 7.66 | 24/07/2024 |
| Minimum price FY 2024 | Euro 4.62 | 23/02/2024 |
| Price at period-end | Euro 5.18 | 30/12/2024 |

* price adjusted as a result of the free capital increase of 11 April 2016.

After a period between the end of 2023 and the beginning of 2024 characterised by average daily volumes of slightly more than 10,500 units (January-February 2024) and an almost stable price trend between Euro 4.7 and 4.8, prices and volumes showed a steady and sustained growth, particularly following the announcement on 19/03/2024 of the proposal by the Board of Directors to distribute an extraordinary dividend of Euro 1.58 per share, to be paid as follows: (i) first tranche - Euro 0.79 per share deriving from the distribution of extraordinary profits - payment date 8 May 2024, ex-dividend date 6 May 2024 and record date 7 May 2024; (ii) second tranche - Euro 0.79 per share deriving from the distribution of extraordinary profits - payment date 4 September 2024, ex-dividend date 2 September 2024 and record date 3 September 2024.

The maximum price recorded on 24 July 2024 at Euro 7.66, equal to the new historical maximum recorded by the stock, and the end-of-period price at Euro 5.18 were respectively approximately 59.6% and 7.9% higher than the first price of the year (Euro 4.80 on 2 January 2024).

Below is the monthly evolution of weighted average prices and average daily volumes:

| Month | Weighted average price € | Average daily volume # |
|---|---|---|
| January 2024 | 4.78 | 9,299 |
| February 2024 | 4.65 | 11,790 |
| March 2024 | 5.26 | 21,086 |
| April 2024 | 6.26 | 26,069 |

| | | |
|---|---|---|
| May 2024 | 7.08 | 31,320 |
| June 2024 | 6.89 | 9,477 |
| July 2024 | 7.27 | 14,209 |
| August 2024 | 7.29 | 27,905 |
| September 2024 | 6.07 | 19,012 |
| October 2024 | 5.85 | 12,149 |
| November 2024 | 5.84 | 6,799 |
| December 2024 | 5.35 | 12,057 |


*GROW.MI - trend in prices and volumes January-December 2024 - Source [www.borsaitaliana.it](http://www.borsaitaliana.it)*

In the FY ended 31 December 2024, in 14 trading sessions, volumes traded exceeded 50,000 units, of these, in 4 sessions, exceeding 100,000 units, with a maximum recorded on 03/05/2024 (237,009 shares traded). In general, daily volumes traded in the period averaged about 16,800 units, lower than the approximately 30 thousand average daily units traded in 2023. In only one trading session, there were no trades.

The Company is very careful in handling Investor Relations activities, i.e., communications and financial information activities between the Company and investors.

The Investor Relations Officer therefore meets the Company's external communication requirements and, by performing his activities, also in coordination with other Company and Group functions, aims to enhance the perception of Growens' business activities, strategies and future outlooks by financial operators, particularly professional, Italian and foreign institutional and qualified investors.

Investor Relations activities are based on Growens' reporting ecosystem, which encompasses a range of resources and working teams that work in close contact to guarantee accurate and timely reporting. The outputs of this system are the Separate and Consolidated Annual Financial Statements, subject to audit by the independent auditing firm; the Consolidated Half-Year Report, subject to a limited audit on a voluntary basis by the independent auditing firm; the reporting of consolidated, unaudited quarterly ARR and sales data; the unaudited quarterly reports; as of May 2020, the Sustainability Report.

Furthermore, it is responsible for compulsory price sensitive communications, as well as all communications intended to provide shareholders and the market with prompt information regarding the Group, disclosed via press releases.

In the course of 2024, a total of 14 financial press releases were issued. All accounting and financial documentation and press releases generated by the Group are drafted and published in both Italian and English and made available on the website www.growens.io, which is also fully available in both languages on a voluntary basis.

The CEO and Investor Relations Officer periodically participate in both individual and group presentations and meetings to present the Group and its performance. The updated presentations are published on the website. For example, in 2024, the Group participated in 4 conferences and investor days, held mostly in virtual mode, meeting 38 current and potential investors. Periodically, investors who have requested it receive a newsletter providing the main financial news.
Furthermore, in 2024, the Group also received assistance from two corporate brokers, who generate independent research and support the Company in its financial sales and marketing activities, helping to spread its equity story and generate contacts with current and potential investors. Equity research reports, all drafted in English, are available on the website in the section www.growens.io/en/analyst-coverage/.

In 2024, 16 equity research reports were published.

# Growth in demand and trends of the markets on which the Group operates

## The Marketing Technology (MarTech) Market

MarTech is an ecosystem of cloud solutions and technological applications aimed at supporting companies in the development of their digital marketing strategies. This ecosystem, to which the Growens Group business is related, is growing very rapidly and is populated both by medium-small players, focused on specific niches, and by large companies that cover a wide range of customer service requests.

The MarTech sector continues to expand despite economic uncertainties and rapid technological advances, forecasts indicate that the global MarTech market could reach approximately USD 1,379 billion by 2030, with a CAGR of 19.8% from 2024 to 2030. Factors such as geopolitical tensions, data privacy regulations and the revolutionary impact of artificial intelligence (AI) are bound to define the industry's trajectory. Innovations such as artificial intelligence, machine learning and automation are responsible for much of the growth.

The sector has not only grown in value, but also in size. In fact, the number of MarTech products on the market over the last 13 years was monitored and it was found that in 2023 alone, the number of products increased by more than 3,000 units.

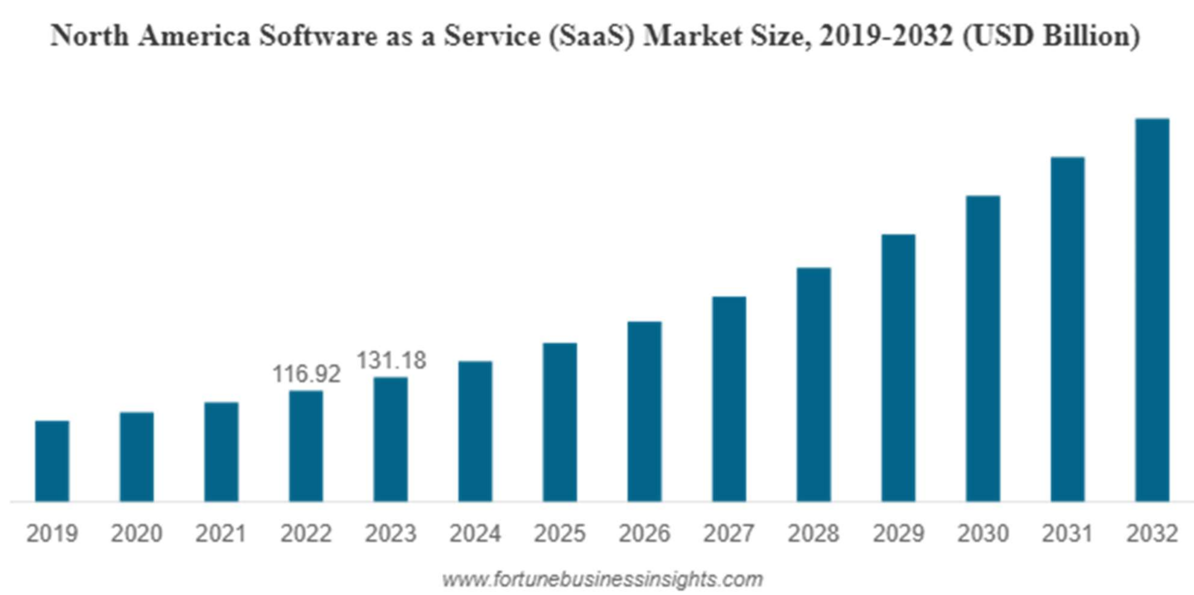

*Source: martech.org*

The MarTech ecosystem in the year 2024 is populated by some 14,106 pieces of software, an impressive figure that becomes even more significant when put into context. With reference to 2023, there was an increase of about 28% compared to previous years, with a compound annual growth rate of 41.8%. The MarTech landscape continued to expand for the 13th consecutive year, with a net addition of 3,068 products compared to last year's 11,038. This represents an exceptional growth of 27.8% over the previous year. From 2011 to today's scenario, the number of MarTech products on the market has increased tremendously by 9,304%. Standardising this increase over the past 13 years gives a Compound Annual Growth Rate (CAGR) of 41.8%.

It is also surprising to note that the drop-out rate in the sector has remained extremely low at only 2.1% between 2023 and 2024. Only 263 products disappeared from the market compared to the previous year. Some of these products may have been acquired, but continue to be offered as independent products under their original brand names. Others, despite having experienced significant difficulties in recent years, have not ceased to operate. This shows the resilience of companies in the segment.

The global Software as a Service (SaaS) market was valued at over USD 273 billion in 2023 and is expected to grow over USD 317 billion in 2024 to reach USD 1,229 billion by 2032, with a compound annual growth rate (CAGR) of 18.4% during the forecast period (2024-2032). In 2023, the market value of North America, of which Beefree is a part, amounted to USD 131.18 billion.

The growth of the SaaS market can be attributed to various factors, including increased adoption of public and hybrid cloud-based solutions, integration with other tools and centralised data-driven analysis. Moreover, key players are developing business strategies through partnerships and collaborations, thus creating ample opportunities for growth.



## MarTech overview: ample, complex, fragmented and segmented

Technology and traditional off-line marketing have found common fertile ground and opportunities of contamination that have led to the proliferation of cloud strategies, solutions and tools that make up the ecosystem of MarTech.
In the extremely complex and fragmented context of the MarTech market it is possible to identify 6 main sub-segments:

- Advertising & Promotion (mobile marketing, social and video advertising, PR);
- Content & Experience (mobile apps, email and content marketing, personalisation, SEO, marketing automation and lead management, CMS);
- Social & Relationship (events, meetings & webinars, social media marketing, influencers, CRM);
- Commerce & Sales (retail & proximity marketing, sales automation, e-commerce platforms and marketing);
- Data (data marketing, mobile & web analytics, customer data platforms, predictive analytics, business and customer intelligence);
- Management (talent management, product management, budgeting & finance, agile and lean management, vendor analysis).

Multi-channelling is a fundamental need for digital marketing professionals constantly looking for strategies able to combine different communication channels that allow utmost customization of the experience according to the needs of the user. That said, despite the growing popularity of social media and alternative channels of communication related mainly to instant messaging, emails and SMSs remain among the most popular and effective tools among the different solutions available as well as their combined use.

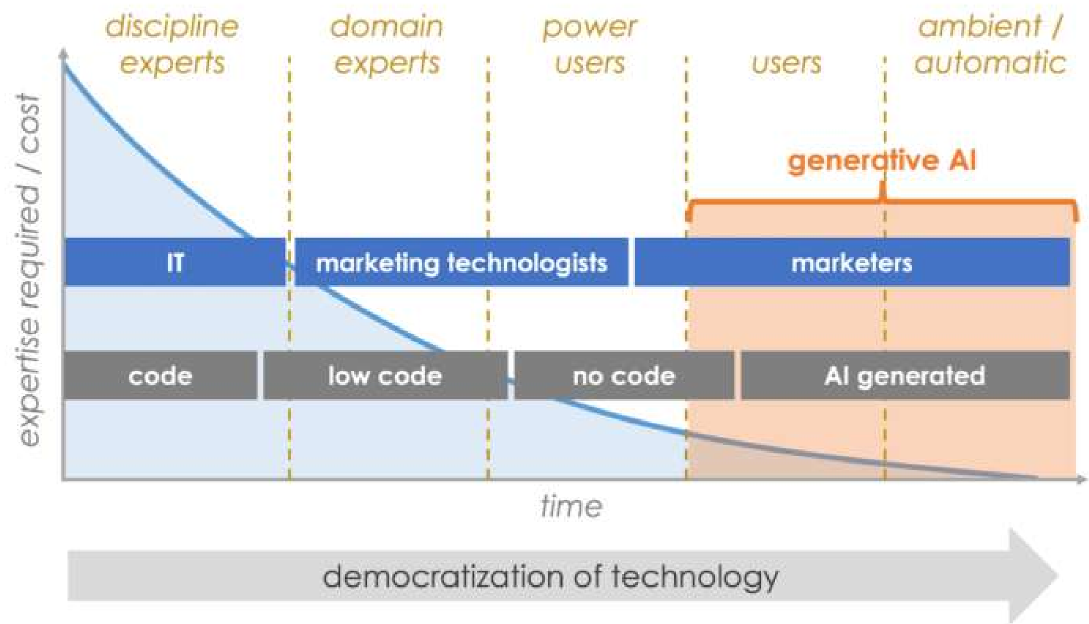
Currently, MarTech accounts for about 30% of marketing budgets, and many current or potential client companies plan to increase this expenditure even further in the near future. The main driver for this increase is the improvement of the client experience. Investing in MarTech, in fact, is key to enhancing engagement and offering a more personalised and fluid service. MarTech tools enable brands to attract consumers with tailor-made solutions, optimising client interaction and satisfaction.

In recent years, we have observed an increasing desire on the part of MarTech companies and users to integrate their technology solutions as far as possible. Gone are the days of using one product for pop-ups, one for emails, one for segmentation and another to integrate them all. We also saw a decline in the number of MarTech companies offering single solutions. We expect this trend to continue in the future. A marketing platform that combines pop-ups, multiple channels, integrated social and search engine targeting tools, and even product reviews in a single solution can offer companies a more cohesive service at a lower cost.

The main focus on which MarTech is concentrating is certainly the exploitation of the potential of Artificial Intelligence ("AI") for the collection and processing of internal and external Big Data, while, on the market structure side, further large-scale concentration phenomena resulting from intense Merger & Acquisition activity. Customers generate a large amount of data and information in the course of their purchasing experiences that represent a valuable asset which, if properly exploited, can lead to much more targeted and effective campaigns, and ultimately an increase in sales. In order to manage large amounts of data, it is increasingly strategic to rely on the automation of flows and, in the future, on tools based on AI. The use of AI will significantly increase the effectiveness of decision making and machine learning processes, allowing the extraction of increasingly significant indicators, optimising the customisation of marketing campaigns and providing customised scalable solutions.

Artificial intelligence is the undisputed star of the last few months. To engage clients in a personalised way on a large scale, the use of AI and machine learning is crucial. Chatbots and intelligent assistants are already driving customer interactions, while AI-generated content is transforming the world of content marketing. AI also makes it possible to analyse and interpret data at a speed and volume that exceeds human capabilities. The algorithms continue to improve, making optimisation faster and closer to real time. With the progress of AI, use cases are continuously increasing. The AI landscape is constantly expanding, offering a wide range of tools for organisations that now have a growing number of applications to process text, video, audio, images, coding and data.

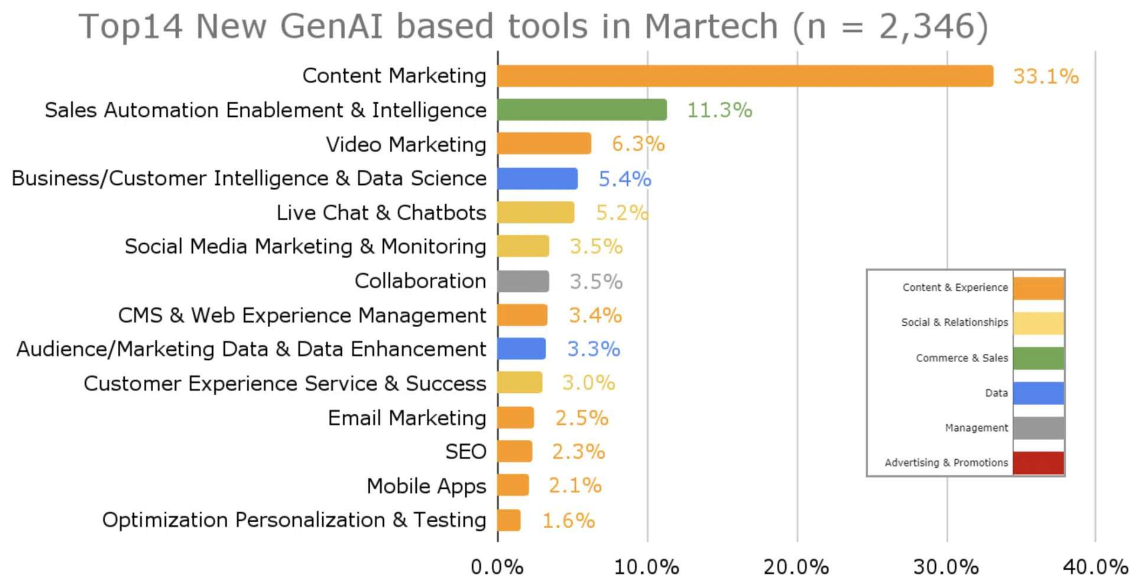
The significant role of AI in driving innovation and efficiency in martech cannot be overestimated. With substantial investments by technology giants and start-ups, AI is set to revolutionise marketing strategies and tools, offering new capabilities in content generation, predictive analytics and advanced personalisation. Generative artificial intelligence has significantly facilitated the democratisation of technology by simply formulating a series of natural language requests to an AI agent. Artificial intelligence has the potential to significantly increase the speed and efficiency of marketing content production. Repetitive tasks, such as content and ad creation, will be automated and tested on a previously unimaginable scale. Data will be generated, processed and analysed almost in real time. Machine learning will continuously optimise campaigns, exploiting constant feedback.




*Source: chiefmartech.com*

Given the rapid progress of generative AI, we expect this evolutionary process to happen faster than other disruptive innovation adoption curves that marketing has seen so far, ushering in a new era of "no code". Today, new AI-enhanced no-code interfaces allow users to simply indicate the desired result and let the AI automatically manage the steps needed to achieve it.

As many as 77% of the 3,068 new tools in 2024 are based on generative AI. Of these, just over half (53%) are tools dedicated to content, such as text, images and video. However, many other interesting uses of generative AI have emerged beyond content creation as the chart below illustrates, i.e. generative AI-based solutions for sales automation, enablement, business and customer intelligence, data science, live chat and chatbots.




*Source: martech.org*

Most companies use AI for marketing across multiple channels. Omnichannel marketing is crucial, as the average consumer interacts with brands through eight different channels. Many users change channels according to the context.

The interaction between AI and Machine Learning is continuously redefining the boundaries of marketing. Thanks to predictive analysis, marketers can now anticipate customer desires more accurately and refine their strategies in a customised way. Moreover, the automation generated by these technologies drastically reduces manual work, allowing marketers to focus on strategic, high-value activities. The integration of AI and ML into marketing tools is not a passing fad, but represents a significant advance towards more sophisticated, data-driven marketing practices. As AI is expected to bring improvements in content creation, personalisation, predictive analytics and overall marketing efficiency, most marketers believe that this technology offers the greatest value and return on investment. In addition to optimising performance, artificial intelligence (AI) and generative artificial intelligence (GenAI) enable more accurate and precise customer segmentation. Micro-segmentation, a practice that was once extremely costly, can now prove to be crucial in increasing engagement and brand loyalty. In addition, the automation of marketing activities, which eliminates repetitive tasks such as sending emails, managing social media posts and creating advertisements, ensures greater consistency in campaigns.

## Segment of reference of the Growens Group: Content Design and Mobile Messaging

The most appropriate segments for the Growens Group within the MarTech ecosystem are the following:

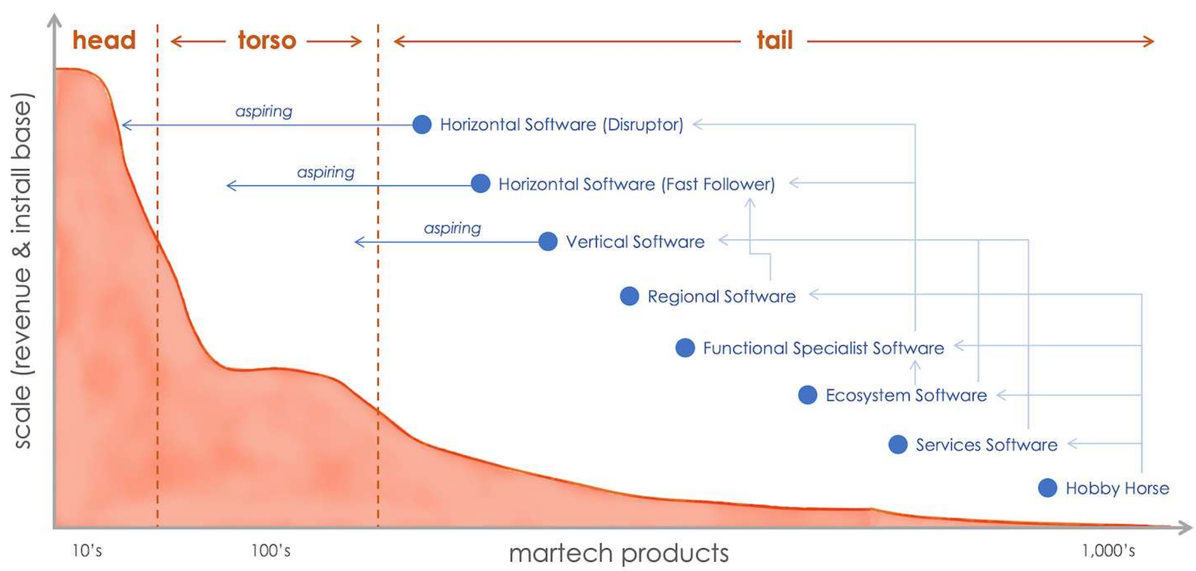
1. **Content Design Segment**: e-mails represent one of the most popular tools to convey digital marketing campaigns, being in fact particularly cost-effective and allowing to achieve high conversion rates in the various stages of the customer acquisition funnel. Technological evolution has also made it possible to enrich their design and improve their functionality. Despite the competition from other communication tools (instant messaging platforms, chat, social networks) e-mail is absolutely central in digital marketing strategies, both in B2B relationships between companies, between company and consumer, but also between organisation and citizen, or between school and students. The pervasiveness of digital communication at every level and at every age has opened up the market for the so-called democratisation of design, which consists of making digital content creation tools (videos, images, animations, e-mails, web pages) available to everyone, even without any technical training and with low or no costs. In this market, Beefree represents one of the leading players specialising in the creation of graphical e-mail templates, overcoming the limitations of traditional e-mail marketing applications in terms of greater flexibility and control, greater compatibility with the complex multidimensional device/operating system/charset/e-mail client matrix, and greater possibilities for collaboration, even in real time.

2. **Mobile Messaging Segment**: includes SMS messages which, despite the almost daily proliferation of new technologies in the world of smartphones, remain one of the most effective methods of communication in the case of time-sensitive information such as passwords and single-use codes for specific operations (OTP and transactional messages in general), real-time updates, alert and emergency messages (e.g. weather, health situation) - emblematic in this sense is the frequent use by public authorities - or simply special offers of limited duration, as they have the highest percentage of opening combined with a high effectiveness in determining a reaction from the recipient. For this reason, despite the undeniable popularity of alternative messaging channels such as WhatsApp, SMS will maintain a key role in business communication for specific uses, related for example to the continuous growth of online shopping, to the increasingly frequent use of multiple authentication methods (e.g. 2 Factor Authentication) in banking or cloud-based and mobile applications.

# Competitors' behaviour

## Competitive structure of MarTech: technological niches vs. large integrated players

In such a large, complex and interconnected market, companies must necessarily specialize in a niche or aggregate / include in their offer the most ample and most varied portfolio of alternative solutions. For this reason, from start-ups and micro / small companies to large software multinationals such as Adobe, Canva, IBM, Oracle, Salesforce and SAP coexist in the MarTech ecosystem. If we look at turnover and/or number of installations, the landscape of MarTech companies shows a 'long tail' distribution. At the beginning of the tail, we find a small number of very large, public companies with a market capitalisation of more than USD 20 billion. Next, in the central body of distribution, we find a few hundred category and vertical market leaders. When a company exceeds USD 100-200 million in annual sales and is recognised as a top brand in its industry, it is placed in the core body. Finally, there is the long tail that includes everything else - currently over 12,000 products.




*Source: chiefmartech.com*

The market landscape is thus marked by a division between the big technology players and all the other players. Large technology platforms have demonstrated remarkable resilience and solid performance, thanks to operational efficiencies, advanced artificial intelligence capabilities, and the ability to handle privacy and antitrust challenges. Meanwhile, the rest of the MarTech ecosystem faced profitability pressures, reduced availability of venture capital and antitrust restrictions limiting M&A (mergers and acquisitions) activities. Despite these difficulties, the main drivers of MarTech - digital advertising expenditure, e-commerce and software investments - remain strong, with continued growth expected in the future.

Most MarTech companies are start-ups and specialised products with a turnover of less than USD 10 million. Of the 14,106 MarTech products on the market, the vast majority are in the "long tail" of small companies, start-ups and parallel businesses that specialise in a particular function, sector, region or platform ecosystem. These initiatives positioned in the long tail will not all be profitable businesses in the long run, but they are projects with high potential for sustainability and renewal rates that are developing solutions that will be applicable to many companies, in different sectors and geographic areas. They start out as small companies in the long tail - like all start-ups - but their goal is to grow (or be acquired) to become industry leaders in the middle or early tail. Unfortunately, this is difficult to achieve. Most of them will fail to emerge from the "long tail" and will be acquired in smaller deals, close down, or continue to survive in a state of stalemate, saturating the landscape. Some of them, however, will be successful. Indeed, it could be argued that it is the intense competition among these aspiring horizontal leaders that determines the winners. All those that fail to emerge and are not eliminated from the market continue to be part of the "long tail".

The long tail of solutions populating the market is fuelled by small, sometimes very small, technology providers who listen, interpret and innovatively fulfil niche needs that could hardly be satisfied by the MarTech giants. However, in order to support digital simplification and the alleviation of IT costs, MarTech providers are - and will increasingly be - called upon to provide increasing levels of versatility to their product offerings. Concentrating a substantial amount of workflows in a single solution not only reduces investment in software fees, but also minimises the development and maintenance costs of integrations.

The table below shows a breakdown of the two business units of the Group:

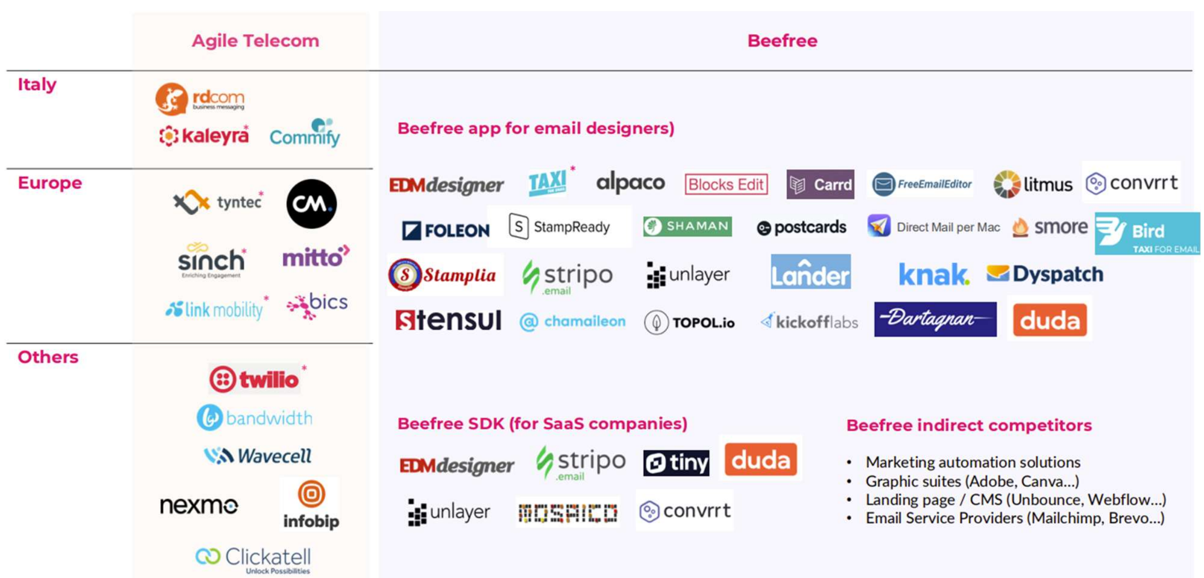
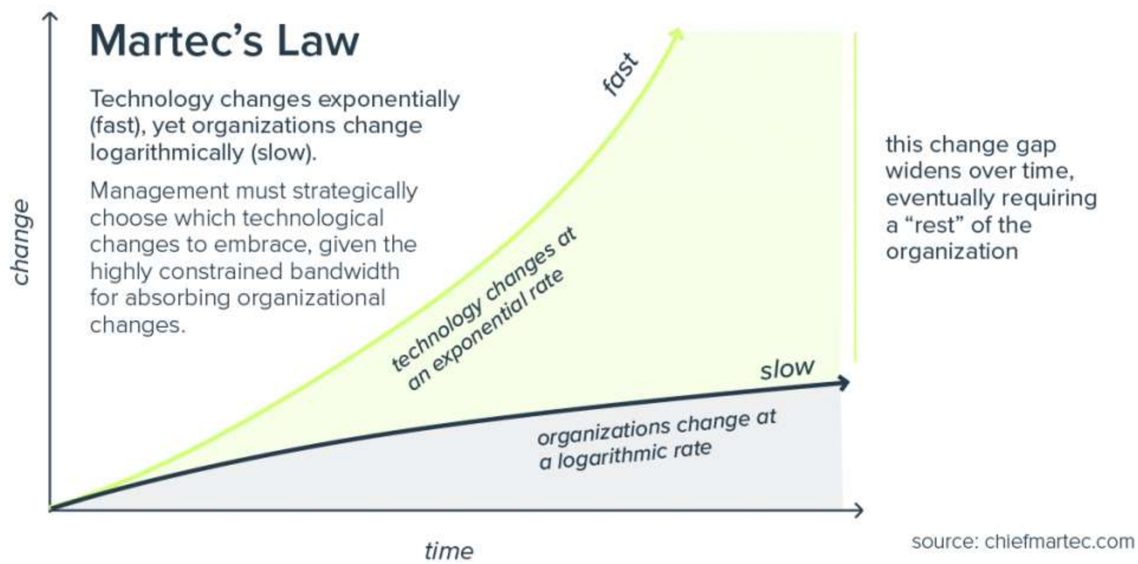


*Table for illustrative and non-exhaustive purposes only, the logos remain the property of their respective owners. The asterisk (*) identifies listed companies.*

## Market concentration: the probable scenario in the immediate future

“Technologies change exponentially, but organisations change logarithmically.” This is the merciless Law of Martec according to which technology is advancing too fast, so fast that companies cannot keep up. Artificial intelligence certainly amplified this feeling.




It is therefore essential to adopt an agile approach. Not simply understood as “working faster”, but rather implementing agile management. Developing capabilities and experiences for clients in an iterative and incremental way. Designing with change in mind, using open platform principles. Fostering a culture of continuous experimentation and learning. Strategic choices and agile management are two approaches that allow to adapt faster than the competition, and often this speed is enough to be competitive.

However, every now and then, significant environmental events offer us the opportunity to take a substantial leap forward in organisational evolution with respect to technology. The COVID-19 pandemic was an example of such an event, accelerating digital transformation for many companies by several years. The current explosion of artificial intelligence also represents a similar moment. Some innovations in AI have the potential to simplify the technological complexity we face, rather than contribute to increasing it.

MarTech is a market that is still in full evolution, as demonstrated by the very high number of operators present. The phenomena of concentration and aggregation through M&A

operations are very frequent and of increasing importance. The number of incoming companies is still higher than those outgoing and this can mean prospective growth, but also increasingly complex challenges for the players already present.

It is expected that, with the many new solutions launched in the area of marketing technologies, numerous innovative SaaS players will be acquired by larger players always looking for opportunities to expand their technological offerings, limiting the cases in which such players will be able to compete effectively while remaining independent. The atomisation of MarTech, i.e. the long-tail phenomenon, is, however, destined to remain.

In the MarTech landscape, mergers, acquisitions and terminations are events that happen constantly. LUMA Partners' Q3 2024 Market Report documents an average of more than 40 martech acquisitions per quarter over the past three years, with a further 15 quarterly acquisitions in the adtech sector. Of the increase in the number of products in martech, 73% is attributable to generative AI. Most generative AI tools appeared in categories that were already densely populated with many "long tail" products: Content Marketing, Sales enablement, Automation & Intelligence, Business/Customer Intelligence & Data Science.

Looking to the future, we see a trend where the role of AI goes beyond automation and into areas such as decision-making. Although current language models do not yet have the human judgement needed to make important decisions, with the ongoing evolution, we may be just a few steps away from AI integrations that could make technology stacks agile and responsive in a similar way to humans.

By 2024, 53% of Chief Marketing Officers (CMOs) are prioritising data security and ethics. The emergence of new risks and changing regulations have increased the importance of protecting consumer information. Stricter regulations have restricted access to high-quality data, prompting many marketing teams to review their strategies. Over 75% of marketers are re-evaluating their channels and key performance indicators (KPIs) in response to these changes. This change highlights the need for marketers to adapt to the changing landscape, ensuring regulatory compliance and maintaining effective consumer engagement.

## Software as a Service (SaaS) Market Trends

### Integrating AI and ML to Stimulate Market Growth

SaaS solutions are evolving rapidly thanks to the integration of advanced technologies such as Machine Learning (ML) and Artificial Intelligence (AI) in particular generative. These innovations are improving the operational efficiency and decision-making capacity of companies in various sectors.

Companies are leveraging autonomous technologies to improve services, optimise content and better understand user needs through data-driven analysis. Machine learning improves the operational efficiency and decision-making capacity of SaaS solutions. Consequently, the adoption of AI and ML is becoming crucial, requiring better software training and management.

The integration of AI and ML is set to transform the SaaS industry in many ways, enhancing the core functionality of software solutions. This integration makes it possible to customise and automate solutions, increase security and enhance human capabilities.

The Growens Group operates in the marketing technology sector through its two business areas SaaS and CPaaS that correspond to the business units Beefree and Agile Telecom respectively.

**Beefree**, the drag-and-drop editor for email, pop-ups and landing pages owned by subsidiary BEE Content Design, Inc., continues its growth path both as a component to be integrated into other software applications (Beefree SDK), and as a complete email and landing page creation suite designed for freelance designers, digital agencies, and corporate marketing teams (Beefree App), with a "Product-Led" growth strategy that includes a free version on beefree.io, completely frictionless at the entrance. Growing usage numbers make the company's goal of becoming a world standard in digital content creation becomes more and more concrete: during 2024, there were more than 131 million usage sessions of Beefree design tools, an increase of more than 36% over 2023. Over 1,200 software applications have integrated Beefree editors, generating a cumulative monthly average of approximately 440,000 users, peaking at approximately 500,000 people in October 2024. The same month saw a record number of sessions (around 12.7 million), an increase of more than 40% from the previous year. In 2024, the Group continued and expanded its investment in product development, with a special focus on the evolution of artificial intelligence and its application in content generation. More specifically:

**Beefree App:** the company continued the evolution of the email and landing page creation suite, continuing the exploration of generative artificial intelligence technologies, and implementing innovative features in the product. Thousands of Beefree customers now use a digital assistant to increase their productivity while using the tool by creating and editing texts, generating images, translating content into other languages, and solving accessibility problems such as adding explanatory text to images (the so-called "alt text"). From the point of view of the market approach strategy, the implementation of the product-led growth technique ("product-led growth" or PLG) continues, where the product is at the centre in all phases of customer acquisition, conversion, growth and maintenance, accompanied by an increasingly effective introduction of consultative sales to support more complex customers ("product-led sales" or PLS). The combination of PLG and PLS is considered a best-practice in Software-as-a-Service, and Beefree continues to be at the forefront of executing such strategies. The result is an increasing amount of digital content created and exported: over 3.3 million emails and pages during 2024. More than 43,000 people used the Beefree App to design those emails and web pages each month during 2024, with companies with at least

10 times the average monthly recurring revenue increasing by more than 60% over the year, indicating that the product is now being recognised as a solution to more complex digital content creation and management problems. It is now clear that this is an area particularly rich in opportunities, which is why new talents were added in the Sales and Growth department during the year, to better identify and support customers experiencing revenue growth.

From the point of view of improving the upper end of Beefree's marketing funnel, the marketing strategy focused on a few key segments where product adoption is particularly attractive, such as universities and digital agencies, has continued: some of Beefree's largest customers are large US universities, and a series of "case studies" have been published in this regard on the company's website at: https://beefree.io/customer-stories. This type of segment-focused marketing will be further confirmed and extended in 2025, also thanks to the acquisition of Really Good Emails (https://reallygoodemails.com), which was finalised during 2024. The Really Good Emails website is visited by hundreds of thousands of people throughout the year looking for inspiration for their email marketing campaigns, and represents a great opportunity for growth.

**Beefree SDK:** the embeddable version of the editor, that can be integrated using special software connectors into third-party applications, is confirmed as a market leader, with 681 paying customers at the end of 2024 and a total of more than 1,200 applications using it. The difference between the two figures is the fact that a paying customer can use the editor in more than one application, and the fact that many small companies use the product taking advantage of the free plan (the "freemium" strategy is also used on Beefree SDK).

In terms of client profile, the shift towards larger companies continues, reflected in the fact that the average monthly turnover per client at the end of 2024 rose by around 29% compared to the same period the year before, growth which accelerated in the second half of 2024 due to the implementation of a new price list. The adoption of Beefree SDK by increasingly large customers is a clear indication of the quality of the product. Beefree SDK is now used by more than 50% of the software included in the "Forrester Wave - Email Marketing Service Providers - 2024" and 60% in the "Forrester Wave - Cross-Channel Marketing Hubs - Q1 2023". Fuelling the market leader's position is a continuous development of new features that guarantee an excellent user experience for the end user, and a great customisation capability for the product and development teams responsible for integrating the visual editor into the applications that host it. In addition, investments were made to allow the system to be installed in a dedicated environment (Virtual Private Cloud), an increasingly important requirement for high-end customers.

**Synergistic relationship between the two versions of Beefree:** we recall that, from a technical point of view, the Beefree App design suite accessible at beefree.io is a "customer" of Beefree SDK. It is in fact a software application that incorporates the editor for e-mails and web pages within it, integrating it via the Beefree SDK service. The integration of the OpenAI API within the Beefree SDK, for example, allowed the release of AI functionality to the over 40,000 monthly users of the Beefree application, generating immediate and fruitful feedback on the use of artificial intelligence within the company's design tools.

Reference was repeatedly made to the purchase of the assets representing RGE business (APA), which was considered synergic for Beefree growth. The main asset is the RGE website and related software, which offers a large collection of email templates, divided into different categories (marketing emails, welcome emails, order confirmation emails, etc.) from which users can draw inspiration. The combination of the RGE extensive email catalogue with Beefree intuitive design tools has the potential to offer new opportunities to bridge the gap between inspiration and the creation of valuable content. The presence of more than 15,000 quality email templates has the potential to attract a broader audience for Beefree, including those who are not experts in design or content creation, allowing it to maximise its brand visibility and increase its pool of potential clients looking for intuitive and accessible solutions. In over ten years, RGE has led campaigns for some of the biggest global brands and built a user community with over 220,000 newsletter subscribers and hundreds of participants in the "Unspam" event that attracts email design experts and enthusiasts from all over the world. This community, and the dialogue that develops within it, makes it possible to investigate and sometimes anticipate market needs and trends, so as to orient and validate strategic research and development choices. This aspect is even more relevant in this period of paradigm shift linked to the spread of generative artificial intelligence technologies. The transaction represents a strategic opportunity to enrich the Beefree offer, improve the user experience, differentiate itself from competitors and expand its client base, thus contributing to the growth and success of the company and the Group.

Ultimately, the Growens Group, following the divestments of the previous year and the most recent strategic orientations, is concentrating more and more financial and human capital resources on the development of the Beefree business unit and the creation of value for all stakeholders.

**Agile Telecom**, on the other hand, operates in the CPaaS sector and in particular in the SMS wholesale market (SMS gateway / SMS aggregator) and sent a total of about 2.2 billion SMS in the financial year 2024, serving among others a number of SaaS operators and large international operators who need to deliver SMS traffic in Southern Europe, particularly Italy, and to selected international routes.

During the financial year 2024, Agile Telecom further strengthened its position in the digital communications sector, significantly expanding the range of solutions it offers. In addition to the well-established wholesale SMS service, it integrated and enhanced the portfolio with advanced CPaaS (Communications Platform as a Service) solutions, effectively responding to the needs of a rapidly evolving market.

Among the most notable services introduced was the Mobile Number Portability (MNP) service, which was particularly appreciated by prestigious clients such as Sky. This service allows users to keep their telephone number when changing operator, thus easing the transition and improving the customer experience. The ability of Agile Telecom to offer this service demonstrates our commitment to solutions that not only meet, but anticipate client needs.

Another pillar of the Agile Telecom growth strategy is the introduction of termination via RCS (Rich Communication Services). This modern messaging standard enriches the communication experience by offering features such as group chat, video transmission and file sharing in a secure and controlled environment. The Agile Telecom adoption of RCS not only extends its reach in the messaging sector but also strengthens its offering to companies looking for innovative ways to interact with their customers.

In FY 2024, Agile Telecom successfully developed and marketed the Telegram Business and WhatsApp Business channels, expanding communication options for businesses and improving customer engagement. It is also currently working on promising evolutions of its platform, harnessing artificial intelligence to offer increasingly advanced and customised solutions in line with emerging trends in the CPaaS sector.

## Social, political and union climate

The social climate within the Group is positive and based on full cooperation. The Group has long implemented hybrid work (smart working), even before the February 2020 pandemic emergency, one of the cornerstones of its working philosophy oriented to flexibility and autonomy enshrined in the Growens WoW (Way of Working). The focus on employee well-being and work-life balance was further enhanced in 2024 in the introduction of the REST (Recharge, Empower, Support, Thrive) programme, designed to standardise and improve leave options across all countries where Growens operates, valuing personal time as a key lever to attract and retain talent.

Furthermore, in 2024, Growens launched a series of initiatives to mainstream diversity, equity, and inclusion (DEI) principles into its organisation. Activities focused on building a comprehensive DEI framework, engaging employees through educational sessions and interactive discussions, as well as on developing and formalising more inclusive policies.

## Operating performance in Group sectors

The consolidated net profit for the financial year 2024 is negative for Euro 2.5 million, while the equivalent figure for Growens' separate financial statements is a positive Euro 2.2 million. If compared with the results of continuing operations, i.e. on a like-for-like basis with respect to the Group's current situation, after the divestments of the 2023 financial year, these are

improved results in both cases, particularly at the level of Growens' separate financial statements, where the reversal of the trend with respect to the comparison period is evident (Euro + 2.9 million). It should be noted that the previous year's operating profit, both at consolidated and separate level, was heavily influenced by the extraordinary performance of financial operations, which was positive by more than Euro 56 million, following the capital gain recognised on the sale of the ESP business unit to the TeamSystem group.
The Income Statement for the 2024 financial year recorded consolidated revenues of Euro 74.5 million, showing a substantially stable trend compared to the previous year (Euro -0.6 million or -0.8% in relative terms). This result is influenced by the growth of the SaaS component by 23%, accounting for about 17% of total revenues, offset by the 5% reduction of the CPaaS component, accounting for about 81% of total revenues. The Agile Telecom Business Unit produced the most significant revenues in absolute value, equal to approximately 60.3 million Euro, down 5%, in line with the strategic project of improving margins even at the expense of revenue growth, against a total of 2.2 billion SMS sent in the year. The Business Unit that achieved the highest growth rate was Beefree, with an increase of 24% net of the USD/Euro exchange rate effect, reaching approximately Euro 12.7 million/USD 13.7 million in revenues. ARR (Annual Recurring Revenue, which is a very widespread metric for measuring the performance of a subscription business, indicative of the average annualized recurring value of outstanding contracts) was USD 16 million as at December 2024. Revenues generated abroad accounted for 81% (-3% in absolute value compared to FY 2023) of the total, while recurring revenues exceeded 17% (+23% compared to FY 2023).

Consolidated EBITDA was essentially at break-even (about Euro -0.1 million), while Gross Profit exceeded Euro 17.7 million, accounting for about 24% of revenues, up 20% compared to 2023. The COGS component, i.e. the direct costs of providing services, is in fact reduced by approximately 6% and by over 4 percentage points in terms of impact on revenues. Agile Telecom shows an EBITDA of about Euro 2 million, down 33% from 2023, but still extremely positive in an extremely competitive market environment. The cost items that have a negative impact on EBITDA are related to the development of the Beefree Business Unit, as far as Sales & Marketing (+31%) and Research & Development (+56%) are concerned; Beefree's EBITDA was negative by about Euro 2.8 million. The increase in R&D costs highlighted above demonstrates the focus of strategic investments concentrated mainly on the US subsidiary.
Pre-tax profit (EBT) for the period was a negative Euro 2.7 million, after depreciation and amortisation of about Euro 3.9 million, an increase of 26%, largely related to R&D activities. Depreciation and amortisation related to the application of IFRS 16 amounted to Euro 0.5 million. Financial management was positive by over Euro 1.3 million thanks to financial income from investments in low-risk securities made to maximise the profitability of liquidity not allocated in the short term to specific strategic investments, in addition to the positive effect of exchange rate gains following the strengthening of the Dollar against the Euro, particularly in the last months of the year. It should be noted that tax allocations at the

consolidated level are the result of a mere aggregation, as taxation is applied on the individual legal entities of the Group.

The consolidated Net Financial Position as at 31 December 2024 was negative (cash) in the amount of Euro 13 million, and is substantially not comparable with the cash position of Euro 42.1 million as at 31 December 2024. The alteration was primarily driven by the issuance of an extraordinary dividend of approximately Euro 20 million, alongside R&D expenditures associated with Beefree, and other dynamics concerning the Group’s VAT receivables, trade receivables and payables of Agile Telecom, as well as the account of one-off items relevant to the preceding year. The effect of the adoption of IFRS 16, relating to rental, leasing and hire costs, results in an imputed debt item of approximately Euro 1.3 million. Cash and cash equivalents as at 31 December 2024 amounted to about Euro 17 million, while about Euro 4.8 million were tied up in escrow to guarantee certain obligations related to the sale of the ESP business to TeamSystem.

As far as the parent company is concerned, the results for the financial year 2024 show a positive trend in revenue (+42%), which amounted to Euro 14.6 million.
The EBITDA margin turned positive again at about Euro 0.7 million, despite the increase in R&D costs, which is attributable to the organisational strengthening of the holding teams supporting the subsidiaries, as reflected in the increasing trend of the corresponding intercompany revenues. Financial management remained positive due to the dividends of the subsidiary Agile Telecom and the very positive performance of investments in low-risk securities of cash not allocated in the short term to specific strategic activities, in addition to the positive effect on the Euro/Dollar exchange rate mentioned above. As reported above, the net profit for the year amounted to approximately Euro 2.2 million.
Growens’ Net Financial Position amounted to about Euro 10.3 million in cash and showed impacts for the period essentially attributable to the same dynamics as those already shown for the consolidated NFP.

## Alternative performance indicators

These financial statements present and outline some economic-financial indicators and some reclassified financial statements (relating to the economic, equity and financial situation) not defined by the IFRS. These figures, defined below, are used to comment on the performance of the business in compliance with Consob Communication of 28 July 2006 (DEM 6064293) and subsequent amendments and additions (Consob Communication no. 0092543 of 3 December 2015, which incorporates the ESMA/2015/1415 Guidelines). The alternative performance indicators listed below should be used as an informative supplement to the provisions of the IFRS to assist users of the Report on Operations in a better understanding of the Group’s economic, equity and financial performance. It is emphasised that the method of calculating these reclassification measures used has been consistent over the years. It is also noted that it may differ from the methods used by other companies.

### Financial indicators used to measure the Group's economic performance

- **EBITDA:** given by the operating result gross of depreciation and amortization of tangible and intangible assets.
- **ROE (return on equity):** defined as the ratio between net income for the period and net capital.
- **ROI (return on investment):** defined as the ratio between the operating result for the period and fixed assets at the end of the period (see the definition of fixed assets shown below).
- **ROS (return on sales):** defined as the ratio between the operating result and net sales for the period.

## Main economic figures of the Growens Group

The table below summarizes the consolidated results as at 31/12/2024 compared with the previous period in terms of total revenues, EBITDA and pre-tax result (EBT).

| Description | 31/12/2024 | 31/12/2023* | Change |
|---|---|---|---|
| Total revenues | 74,460,302 | 75,060,458 | (600,156) |
| EBITDA | (110,744) | (558,710) | 447,967 |
| Pre-tax result (EBT) | (2,708,136) | (2,662,612) | (45,524) |
| Net result from continuing operations | (2,535,045) | (3,025,338) | 490,293 |
| Period profit | (2,535,045) | 58,131,733 | (60,666,778) |

The following table showing some Group profitability indexes, compared with the same indexes relating to the previous period, provides a better illustration of the income situation.

| Description | 31/12/2024 | 31/12/2023* |
|---|---|---|
| Net ROE (Net result/Net capital) | (0.07) | (0.05) |
| Gross ROE (EBT/Net capital) | (0.08) | (0.05) |
| ROI (EBITDA/Invested capital) | (0.002) | 0.01 |
| ROS (EBITDA/Sales revenues) | (0.002) | 0.01 |

## Main equity figures of the Growens Group

| Description | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Primary structure margin (Own funds – Fixed assets) | 8,760,228 | 33,525,218 |
| Primary structure ratio (Own funds/Fixed assets) | 1.34 | 2.44 |
| Secondary structure margin<br>((Own funds + Consolidated liabilities) - Fixed assets) | 13,218,441 | 38,107,743 |
| Secondary structure ratio<br>((Own funds + Consolidated liabilities)/Fixed assets) | 1.51 | 2,63 |

In order to provide a better description of the Group's equity situation, the table below shows a few equity indexes relating to both the method of financing medium/long-term commitments and the breakdown of the sources of finance, compared with the same balance sheet indicators for the previous year.

The ratios shown in the table above, although largely positive, reflect the reduction in shareholders' equity following the payment of dividends in the amount of Euro 20 million by Growens and the simultaneous increase in fixed assets due to higher investments, especially in Research & Development.

## Main financial figures of the Growens Group

The consolidated Net Financial Position as at 31 December 2024 was as follows:

| Consolidated Net Financial Position | 31/12/2024 | 31/12/2023 |
|---|---|---|
| A. Cash and cash equivalents | 4,970,777 | 20,488,030 |
| B. Cash equivalents | | 20,000,060 |
| C. Other current financial assets | 11,834,813 | 4,891,561 |
| **D. Liquidity (A) + (B) + (C)** | **16,805,590** | **45,379,650** |

| | | |
|---|---|---|
| E. Current financial debt | 2,065,949 | 467,161 |
| F. Current portion of non-current debt | 1,111,891 | 1,085,516 |
| **G. Current financial debt (E) + (F)** | **3,177,841** | **1,552,678** |
| **H. Net current financial debt (G) - (D)** | **(13,627,749)** | **(43,826,973)** |
| I. Non-current financial debt | 626,279 | 1,734,029 |
| **L. Non-current financial debt (I) + (J) + (K)** | **626,279** | **1,734,029** |
| **M. Total financial debt (H) + (L)** | **(13,001,470)** | **(42,092,944)** |
| N. Other long-term financial assets | (4,813,589) | (4,646,600) |
| of which E. Current financial debt Liabilities Right of Use IFRS 16 | 446,936 | 354,384 |
| of which I. Non-current financial debt Liabilities Right of Use IFRS 16 | 880,369 | 919,315 |
| **Net financial debt adjusted for IFRS 16 effect (M)+(N)-(E)-(I)** | **(19,142,365)** | **(48,013,242)** |

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The significant decrease in consolidated liquidity, in the amount of Euro 29 million, is attributable to the payment of dividends to Growens' shareholders in the amount of Euro 20 million, the increase in the Group's VAT credit in the amount of over Euro 2.5 million, the one-off effects of the payment of consultancy fees and bonuses in connection with the extraordinary transactions of 2023 in the amount of a further Euro 2.5 million, the repayment of outstanding bank loans in the amount of Euro 1 million and the remainder of the financial support to the subsidiary Beefree, investments in Research and Development and the commercial dynamics of receivables from customers and payables to suppliers, particularly for Agile Telecom.

To better describe the consolidated financial situation, the table below shows some liquidity indexes with the application of the IFRS 5 principle compared with the same data from the previous period.

| Description | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Primary liquidity (Immediate and deferred liq./ Current liabilities) | 1.57 | 3.02 |
| Secondary liquidity (Current assets/Current liabilities) | 1.64 | 3.08 |
| Debt (Net debt/Shareholders' equity) | (0.38) | (0.74) |
| Fixed asset coverage ratio (Own capital + Consolidated liabilities)/Fixed assets | 1.61 | 2.76 |

## Main economic figures for Growens

The table below summarises the main results of the parent company compared with that of the previous period in terms of total revenues, EBITDA and pre-tax result (EBT).

| Description | 31/12/2024 | 31/12/2023* | Change |
|---|---|---|---|
| Total revenues | 14,590,972 | 10,309,673 | 4,281,2993 |
| EBITDA | 692,715 | (2,376,848) | 3,069,563 |
| Pre-tax result (EBT) | 2,508,354 | (745,184) | 3,253,538 |
| Net result from continuing operations | 2,161,469 | (736,075) | 2,897,544 |
| Period profit | 2,161,469 | 56,069,523 | (53,908,053) |

The following table showing some Group profitability indexes, compared with the same indexes relating to the previous year, provides a better illustration of the income situation.

| Description | 31/12/2024 | 31/12/2023* |
|---|---|---|
| Net ROE (Net result/Net capital) | 0.05 | (0.01) |
| Gross ROE (EBT/Net capital) | (0.01) | (0.01) |
| ROI (EBITDA/Invested capital) | 0.01 | (0.03) |
| ROS (EBITDA/Sales revenues) | 0.05 | (0.23) |

## Main equity figures for Growens

In order to provide a better description of the Company’s equity situation, the table below shows a few Balance Sheet indexes relating to both the method of financing medium/long-term commitments and the breakdown of the sources of finance, compared with the same Balance Sheet indexes for the previous years.

| Description | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Primary structure margin (Own funds – Fixed assets) | 9,886,000 | 41,762,349 |
| Primary structure ratio (Own funds/Fixed assets) | 1.31 | 3.41 |
| Secondary structure margin<br>((Own funds + Consolidated liabilities) - Fixed assets) | 12,829,339 | 42,459,913 |

| | | |
|---|---|---|
| Secondary structure ratio<br>((Own funds + Consolidated liabilities)/Fixed assets) | 1.41 | 3.50 |

While these ratios are predominantly positive, they indicate a reduction in shareholders' equity due to the distribution of dividends amounting to Euro 20 million, alongside a notable rise in fixed assets resulting from the capital increase in Beefree previously mentioned, which totalled nearly Euro 13 million.

## Main financial figures for Growens

The parent company's net financial position as at 31 December 2024 was as follows (amounts in Euro):

| Growens Net Financial Position | 31/12/2024 | 31/12/2023 |
|---|---|---|
| A. Cash and cash equivalents | 492,770 | 15,635,279 |
| B. Cash equivalents | | 20,000,060 |
| C. Other current financial assets | 11,834,813 | 4,891,561 |
| **D. Liquidity (A) + (B) + (C)** | **12,327,583** | **40,526,899** |
| E. Current financial debt | 448,539 | 372,732 |
| F. Current portion of non-current debt | 1,111,891 | 1,085,516 |
| **G. Current financial debt (E) + (F)** | **1,560,431** | **1,458,249** |
| **H. Net current financial debt (G) - (D)** | **(10,767,152)** | **(39,068,650)** |
| I. Non-current financial debt | 470,300 | 1,601,240 |
| J. Debt instruments | | |
| K. Trade payables and other non-current payables | | |
| **L. Non-current financial debt (I) + (J) + (K)** | **470,300** | **1,601,240** |
| **M. Total financial debt (H) + (L)** | **(10,296,852)** | **(37,467,411)** |
| N. Non-current financial assets | (4,813,589) | (4,646,600) |
| of which E. Current financial debt Liabilities Right of Use IFRS 16 | 411,743 | 301,399 |
| of which I. Non-current financial debt Liabilities Right of Use IFRS 16 | 796,166 | 786,526 |
| **Net financial debt adjusted for IFRS 16 effect (M)+(N)-(E)-(I)** | **(16,318,349)** | **(43,201,935)** |

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The same dynamics apply to Growens' NFP as outlined above for the consolidated NFP underlying the reduction in available liquidity.

The following table showing some Balance Sheet indexes of the Company, compared with the same indexes relating to the previous financial statements, provides a better illustration of the financial situation.

| Description | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Primary liquidity (Immediate and deferred liq./ Current liabilities) | 2.52 | 4.66 |
| Secondary liquidity (Current assets/Current liabilities) | 2.63 | 5.55 |

| | | |
|---|---|---|
| Debt (Net debt/Shareholders' equity) | (0.25) | (0.63) |
| Fixed asset coverage ratio (Own capital + Consolidated liabilities)/Fixed assets | 1.34 | 3.55 |

## Information pertaining to the environment and staff

Considering the social role played by the business, we believe it appropriate to provide the following information on the environment and staff.

### Staff

In 2024, there were no injuries at work and no charges were recorded with regards to occupational diseases on employees or former employees and mobbing cases.

As at 31 December 2024, the Group's workforce numbered 151 employees, of whom 4 managers, 17 middle managers and 130 white-collar workers, while as at 31 December 2023, it consisted of 147 employees, of whom 4 managers, 12 middle managers and 131 white-collar workers. The number of total employees employed during the year, i.e. ULA (Annual Work Units) amounted to 150.79 at the consolidated level. The Group has always been committed to safeguarding relations with employees; at present, there are no employment law disputes in progress.

### Environment

Please note that the type of business carried out by the Group does not entail risks nor any onset of situations that may damage the environment. For a more in-depth analysis of the environmental sustainability issues implemented by Growens Group, please refer to the detailed information contained in the Sustainability Report 2024 prepared annually at consolidated level in correspondence with the end of the accounting period by the parent company and shared with investors and the market. This Report is a voluntary exercise.

Sustainability is the fundamental element on which Growens' activities are based, which is why the Group decided to voluntarily draw up the Sustainability Report on an annual basis, in accordance with the UN 2030 Agenda. The 17 Sustainable Development Goals (SDGs) represent "common goals" to be achieved in areas relevant to sustainable development.

The reporting covers the period 1 January - 31 December 2024 and has been carried out in accordance with the GRI Sustainability Reporting Standards guidelines. The application level of the GRI Standards corresponds to the "in accordance with" option. As required by the Standards, the data collection phase was preceded by the performance of the so-called "Materiality Analysis", aimed at identifying the relevant issues that represent the most significant impacts of the organisation on the economy, the environment and people, including the human rights. Starting with this reporting cycle, the materiality analysis was supplemented with the so-called "double materiality" approach, which Growens took as its inspiration, analysing, in addition to the impacts, the financial risks and opportunities that the Group may potentially "suffer" from external 'sustainability' factors.

## Investments

In the reporting year, consolidated investments were made in the following areas:

| Description | Increases in the year |
|---|---|
| Technological platform and services development costs | 4,190,546 |
| Third-party software and trademarks | 220,275 |
| IT infrastructure, electronic office machines and systems | 44,087 |
| Furniture, office furnishings and leasehold improvements | 19,547 |
| Right of Use IFRS 16 | 678,465 |

of which investments pertaining to the parent company alone, as specified below:

| Description | Increases in the year |
|---|---|
| Third-party software and trademarks | 220,275 |
| IT infrastructure, electronic office machines and systems | 32,829 |
| Furniture, office furnishings and leasehold improvements | 19,547 |
| Right of Use IFRS 16 | 564,693 |

Given the nature of the Group's business, investments have historically been concentrated on intangible assets and in particular on the incremental development of the digital marketing tools represented by the Beefree editor, which is increasingly the main director of consolidated investments. In addition to these, Agile Telecom invested in strengthening and renewing the technological tools that underpin its business. In the following section, the specifics of research and development activity in the period under consideration are given.

Also worth mentioning are the Right of Use assets, recognised in compliance with the IFRS 16 accounting standard, relating to existing rental, leasing and hire contracts, whose increases in the half-year relate to the new rental contract for the spaces where the Milan offices of Growens have been established in via Porro Lambertenghi 7 for Euro 296 thousand and to new contracts relating to company cars and hardware equipment for Euro 268 thousand.

Capital expenditures, which were limited in amount, were mainly for upgrading the computer equipment on hand and for furniture and fittings in the leased operational offices.

## Research and development

Pursuant to Article 2428, paragraph 2, number 1 of the Italian Civil Code, it should be noted that, in FY 2024, the Group capitalised internal investments relating to the software development of its platforms and technological services for over Euro 3.56 million as well as investments through external consultants for approximately Euro 250 thousand. Investments in the development of the Beefree editor amounted to over Euro 3.14 million in the two versions Beefree and Beefree SDK. The development activity, carried out by the parent company on behalf of BEE Content Design under specific contractual agreements, is carried out by an Italian team of developers under Growens, assisted by American colleagues, and is defined and supervised by the management of Beefree. Agile Telecom also carried out development activities, both through the use of internal resources and through external consultants for a total of Euro 628 thousand. These investments were capitalised by virtue of the future economic use, certifying the potential economic and financial future recovery. During the year, the Group also incurred additional operating costs relating to the departments dedicated to research and development for about Euro 3.03 million at consolidated level.

Innovation, research and development have always been strategic and structural elements of the professional and cultural DNA of the Growens Group. The nature of the business and the context within which the Group operates require maximum investment and readiness in terms of innovation and evolution in order to remain competitive and provide the customer with the best possible experience. The constant investment in innovation concerns core areas of the business, such as the technological infrastructure, the development of new products and solutions, the ways of interacting and listening to customers, and the efficiency of working methods.

We summarise below the main additions and improvements made to our services in 2024 as a result of research and development.

### Editor Beefree:

**Beefree App:** the company continued its exploration of generative artificial intelligence technologies, creating an R&D team focused on the topic, and implementing innovative features in the product. In particular, thousands of Beefree users can already use a digital assistant - based on OpenAI technology - during the creation of e-mails and pages, thanks to the integration of this technology in the Beefree SDK, as explained in the following paragraphs.

The increasingly high number of service users has continued to provide a large quantity of feedback for the product team, which has exploited it to respond to market demand by developing and releasing many new functions. Here is a partial list of improvements introduced during 2024: improvements to the AI-based content creation assistant, leveraging the integration with OpenAI's GPT API, as mentioned above; automatic creation of "alternative text" for images – very important to ensure accessibility of emails and web pages – based on the use of AI to automatically understand the image content; language management: the same email or web page can now be translated into multiple languages, without the need to duplicate the design file (so one design, many languages), which allows a big increase in productivity when translating the marketing campaign for different language countries; AI can also be used to quickly translate the texts of different language versions of the same content; introduction of a new "Business" plan that moves the "Workspaces" management functionality to a commercial offering also suitable for medium-sized companies (previously the functionality was reserved for the "Enterprise" plan); numerous new features and improvements in the area of collaboration, review, and approval of emails and pages created within a multi-user account; a new dashboard that allows you to see a summary of the latest emails and pages you have worked on and the conversations open on them, further improving collaboration; several improvements to the user experience, including a redesign of the navigation, which now allows the user to choose whether to use in portrait or landscape mode; a new automatic quality control system that helps users avoid problems related to the content they create; many other changes that improve the user experience and remove obstacles in creating and managing the account.

**Beefree SDK:** in terms of improvements to the software user experience, many features were added or improved over the course of 2024, typically usable regardless of whether creating an e-mail, a page or a pop-up. A complete list is always available at https://developers.beefree.io/ under "What's New". Among the most important, we would like to point out: the continuous evolution of the integration with the OpenAI API that allows the editor user to use a ChatGPT-like interface directly within the user interface, helping - for example - to create a draft of the first paragraph to be included in an email or page, translate it into another language, shorten it, change its tone, etc.: users can now also use artificial intelligence to create the subject line of messages, the title of a page, the summary text of the email (preheader text), and more; automatic ALT text generation by artificial intelligence has been extended to icons and animated GIFs; a new content block allows the insertion of tables, which is useful when information is to be presented within a tabular structure, such as in the case of order confirmation emails or price pages; new methods have been added to the Content Services API to allow the use of some of the artificial intelligence functions without having to load the editor; a new 'service' mode of use of content that can be saved and reused, which allows the application integrating the Beefree SDK to give access to this functionality to its customers quickly and at a reduced cost, compared to in-house development; numerous improvements to the user interface and accessibility of the tool for people with disabilities.

Finally, we recall that the Beefree business unit - supported by centralised cyber security and data privacy functions at Group level - has continued to invest in the security of its systems and processes, renewing the ISO 27001 certification and obtaining the SOC 2 certification at the beginning of 2024.

## Agile Telecom R&D Projects

**ADAPTIVE ROUTING PHASE 2** The project essentially consists of the second stage of development of adaptive routing, which aims to restructure the routing system by implementing an artificial intelligence mechanism with the aim of improving efficiency by finding the routes of the best suppliers in terms of quality and price with the consequent cost reduction and maximisation of margins. The project is expected to be completed by June 2024.

**ATWS** The ATWS platform was created with the need to make Agile Telecom an all-round enabler in the SMS A2P and OTP market sector. ATWS is made up of several modules, which work synchronously and harmoniously in order to manage the entire SMS supply chain, from incoming receipt to delivery to the end customer, using a specific supplier and also including all the non-technical components such as analysis, billing and management of relations with other entities.

The modules that make it up are:

- Sampei & SMSC.net (Module related to the S.A.M.P.E.I. AntiSpam System to optimise the filtering of spam-type SMS and limit the sending of malicious SMS with continuous testing);
- Pocket & Pocket evolution (Module related to the management of the general infrastructure of core services and competitively executable modules from the ATWS platform);
- Adaptive Routing (Module related to the semi-automatic selection of the best supplier in terms of quality/price for each individual customer/SMS);
- OC9 (Module related to the portability and use on the cloud of the ATWS platform regardless of the infrastructure provider);
- MNP (Module relating to a millimetric management of the use of the dedicated db and fed by Ministerial data relating to the portability of utilities);
- IMSI.io (Module for an open public testing system consisting of backend and Android application);
- GTS (Module for a closed testing system for simultaneous monitoring and multiple testing of SMS route providers);

- Antiphishing (Module relating to the AntiPhishing System to optimise the filtering of phishing-type SMS messages and to limit the sending of malicious SMS messages automatically and preventively).

The combination of infrastructures and modules allows Agile to have software that is easily maintainable, quickly upgradable and ready to deploy in every possible customer environment, even remotely and without an on-site visit.
The structure also minimises the customer's FTEs that have to maintain it, as it is designed to offer the best ratio in terms of self-maintenance of the modules, which can also be easily updated remotely.
By developing this project, work efficiency can be improved and risk reduced, resulting in lower costs and maximisation of the relative margin. The project was concluded in December 2024.

**MULTI CHANNEL PLATFORM** The main objective of the **Multi-Channel Platform** project is to implement a messaging platform that not only supports different communication channels, but also optimises the interaction between these channels to ensure efficient and targeted message delivery. Through the use of advanced methods such as artificial intelligence and machine learning, the platform will be able to identify the most effective channel for each type of message, thus improving the user experience and maximising the effectiveness of communication campaigns.

**Key Features:**

- Multi-channel support: integration with various communication channels such as WhatsApp, RCS, and potential new channels to ensure that clients can reach their target audience through the most appropriate medium;
- Intelligent routing: implementation of artificial intelligence algorithms to determine the best channel for each message based on variables such as cost, reliability, and recipient preferences;
- Interoperability: creation of an open, interoperable system that allows easy integration with different platforms and technologies, thus ensuring greater flexibility and scalability;
- Analysis and optimisation: continuous monitoring of delivery performance across all channels to optimise routing strategies and reduce operating costs.

**Anticipated Benefits:**

- Cost reduction: efficient distribution of messages through the cheapest channel available, without compromising service quality;
- Increased engagement: using the recipient's preferred channel significantly increases the likelihood of interaction and engagement;
- Versatility: ability to quickly adapt to new communication channels as they emerge, keeping the platform at the forefront of the telecommunications industry.

### Implementation Phases:

1. Research and development: identification and integration of existing and emerging technologies to support a wide range of communication channels;
2. Testing and evaluation: piloting the platform with a selected group of customers to refine functionality and ensure system stability;
3. Launch and optimisation: full implementation of the platform followed by a period of intensive monitoring to continuously optimise performance based on user feedback and collected data.

### Conclusion:

The Agile Telecom Multi-Channel Platform project aims to position itself as a leading solution in the multi-channel digital communications market, providing users with an unprecedented experience in terms of flexibility, reliability and efficiency. By integrating advanced technologies and a future-oriented approach, the platform aims to revolutionise the way companies and individuals communicate in an increasingly connected world. The project is expected to be completed by March 2025.

#### AI TRAFFIC CATEGORIZER

### Project Overview:

The Categorizer AI module is a key component of the Agile Telecom Multi-Channel Platform, designed to improve efficiency and accuracy in the distribution of messages through various communication channels such as WhatsApp, RCS, and others. This tool uses advanced artificial intelligence technologies to categorise messages in real time, ensuring that they are sent through the most appropriate channel at the optimal time.

### Project Objectives:

The objective of Categorizer AI is to automate and optimise the channel selection process for each message, based on predetermined criteria such as urgency, content type, and recipient preferences. Through semantic analysis and pattern recognition, the system is able to classify messages with high accuracy, thus improving the overall performance of the platform.

### Key Functionalities:

- Intelligent classification: analysis of message content to determine the appropriate category (e.g. promotional, transactional, urgent) and choose the most effective delivery channel;
- Machine learning: ability to learn from past interactions and continuously improve classification accuracy based on data analysis and feedback;
- Recipient-based personalisation: adaptation of routing decisions according to the preferences and past behaviour of recipients, thereby optimising engagement;

- Intuitive user interface: dashboard for real-time display of ratings and performance, allowing users to make manual changes if necessary.

### Anticipated Benefits:

- Improved accuracy: minimisation of categorisation errors and misdirected messages, increasing the effectiveness of communication;
- Rapid response: ability to react in real time to communication needs, ensuring that urgent messages are prioritised;
- Increased ROI: optimisation of channels according to message type to maximise return on investment in marketing and communication campaigns;
- Customer satisfaction: improving the customer experience by receiving messages through preferred channels and in the most suitable format.

### Implementation Phases:

1. Algorithm development: construction and training of machine learning algorithms for text classification based on a large dataset of messages;
2. Platform integration: linking the AI Categorizer with the existing platform for a seamless and automated workflow;
3. Testing and optimisation: continuous evaluation of system performance in real scenarios to refine the technology and ensure maximum effectiveness;
4. Launch and continuous monitoring: full implementation and monitoring of operations to identify and resolve any problems and to make incremental improvements.

### Conclusion:

The AI Categorizer module of the Multi-Channel Platform aims to be a revolutionary solution in the field of digital communications, offering Agile Telecom a significant competitive advantage due to its ability to manage and optimise the distribution of messages on a variety of communication platforms. With careful implementation and continuous refinement based on artificial intelligence, the AI Categorizer is set to become a key pillar in the Agile Telecom communication strategy. The project is expected to be completed by March 2025.

#### EXPANDING HORIZONS

### Project Overview:

The project Expanding Horizons stands as a crucial extension of the Agile Telecom Multi-Channel Platform, aiming to integrate and expand the existing corporate communication ecosystem to include a variety of new digital communication channels. This project aims to transform the traditional SMS sending platform into a versatile multi-channel hub, using technologies based on various frameworks to connect with new channels such as RCS, WhatsApp, Telegram, Signal, and others.

### Project Objectives:

Expanding Horizons aims to:

- Expand the range of communication channels supported by the platform to include the latest innovations in digital messaging;
- Improve the flexibility and adaptability of the platform to respond quickly to market changes and consumer preferences;
- Ensure full interoperability between different channels for more effective and consistent communication.

**Key Functionalities:**

- Integration of new channels: adding support for emerging and established channels, allowing users to communicate through their preferred medium;
- Open and modular framework: use of an open architecture to facilitate the integration of new channels and technologies as they become available;
- Unified communications management: centralisation of the management of all channels for a holistic view and consistent controls;
- Automatic channel optimisation: implementation of algorithms that automatically direct messages to the most effective channel based on real-time analysis.

**Anticipated Benefits:**

- Greater market coverage: reaching a wider audience through the variety of channels supported, adapting to individual client preferences;
- Operational efficiency: reducing costs and improving efficiency through the use of more suitable channels for specific types of messages;
- Improved customer engagement: increased client engagement through the ability to interact in their preferred channels;
- Competitive agility: increased ability to respond quickly to market innovations and changes in communication technologies.

**Implementation Phases:**

1. Research and development: identification of emerging channels and suitable technology platforms for integration;
2. Design and integration: development of a modular architecture that allows easy addition or modification of communication channels;
3. Validation and testing: intensive testing to ensure the compatibility and effectiveness of new integrations;
4. Launch and continuous interaction: gradual implementation of new channels, with continuous adjustments based on user feedback and performance analysis.

**Conclusion:**

The Expanding Horizons project represents a significant step forward for Agile Telecom in the field of digital communications. With the goal of building a truly multi-channel platform that not only meets current needs but is also ready for future market evolutions, Expanding

Horizons positions Agile Telecom as an innovative leader in communication technology. This open and interoperable approach ensures that the platform can continue to grow and adapt, maintaining its relevance and effectiveness in the rapidly changing technology landscape. The project is expected to be completed by December 2025.

**MULTI-CLASS TEXT CLASSIFICATION** The project aims to identify, train and implement the most effective text classification model for a specific application, with a focus on multi-class classification. The aim is also to put in place a system for real-time updating, improvement and monitoring of model performance.

### Project Phases:

- Model identification: search and selection of various text classification models suitable for multi-classification. Comparison of the theoretical and practical performance of the selected models;
- Creation of the training dataset: collection of a large textual dataset relevant to the application, labelling of the data into different classes and pre-processing and cleaning of the data;
- Creation of the verification dataset: dividing the total dataset into a training set and a verification set and using the verification set to test the effectiveness of the model.

The project also aims to carry out periodic performance analyses and adjustments of the model to improve accuracy and effectiveness, which can lead to a cost-revenue benefit by improving margins. The project is expected to be completed by September 2024.

**AUTOMATING LCR DATABASE** The project aims to automate the updating of the LCR (Least Cost Routing) database in Agile Telecom by extracting and processing XML data from the RAEX database. This data will then be used in various applications within the Agile Telecom A2P SMS sending platform. It is therefore the implementation of a monitoring system to track any errors or inconsistencies in the data, to ensure that the process is always efficient while achieving margin benefits. The project was concluded in December 2024.

**OMNI PLATFORM**

The focus of the OMNI project is on the creation of an all-in-one platform based on artificial intelligence, designed to meet the digitisation needs of small and medium-sized enterprises (SMEs) and to facilitate the management of their online presence in an automated and centralised manner.

**Main objective**: The OMNI platform aims to optimise the management of SMEs' digital marketing activities through a suite of integrated tools that automate and simplify complex, traditionally costly in terms of time and human resources needed.

Key features of the OMNI platform include:

**Automation in marketing and conversational content generation**: The platform will be able to independently produce both textual and visual multilingual content, using advanced artificial intelligence models. This feature will enable SMEs to quickly create effective and consistent content tailored to different markets and segments.

**Multi-channel management of marketing campaigns**: OMNI will support a wide range of digital channels, such as RCS, SMS, WhatsApp, social media (e.g. Instagram), and search engine marketing (SEM) channels. This multi-channel approach will allow companies to reach their customers on different platforms through unified management, thus expanding the reach of campaigns and ensuring consistency in the message.

**Optimisation based on predictive analytics**: Using machine learning algorithms, the platform will be able to analyse campaign performance and provide predictive insights that support decision-making, improving the accuracy and effectiveness of marketing strategies. The data collected will be used to refine messages, schedules and channels, thereby increasing the effectiveness of marketing efforts.

**Creation and management of microsites and payment support**: OMNI will facilitate the digital transformation of physical and digital businesses, with the ability to create customised microsites that serve as online storefronts or interactive touch points. Payment management and integration with other e-commerce services will be a further step towards full digitisation.

**Centralisation of customer support**: All customer interactions, coming from different channels, will be collected and managed in a single inbox accessible also from mobile, allowing a quick and co-ordinated response to customer enquiries, improving customer experience and increasing satisfaction.

**Hybrid Business Model**: OMNI is designed to be offered to SMEs via a SaaS subscription model for basic features, while advanced advertising campaigns and other additional services are available on a pay-per-use basis. This approach provides flexibility and accessibility to SMEs, allowing them to adjust their investment according to their needs and desired outcomes.

In summary, OMNI represents a significant step towards the digital transformation of SMEs, enabling them to develop, monitor and adapt their digital presence with AI-based tools that streamline operations and optimise results, fostering sustainable and competitive growth.
By developing this project, work efficiency can be improved and the business diversified, resulting in lower costs and profit maximisation. The first part of the project is expected to be completed by June 2025.

## Other R&D Projects

### ERP digital transformation project with Oracle NetSuite

In the 2024 financial year, following the signing of the financing agreement with Invitalia and the Ministry of Enterprise and Made in Italy, the preliminary investigation activities of the ERP digital transformation project with Oracle NetSuite were carried out for the allocation of the subsidies provided by the **Digital Transformation** tool, the incentive established by the Growth Decree that favours the technological and digital transformation of the production processes of micro, small and medium-sized enterprises. On 21 February 2025, the documentary and functional review of the project was carried out by Infratel Italia S.p.A., a company appointed by Invitalia, and the outcome was positive. A specific memo was then signed by the parties and promptly forwarded to the Institution. We are currently waiting for the allowances to be paid.

Reported expenditures amounted to Euro 361,100, compared to the Euro 359,280 declared at the project submission stage.

Growens is the beneficiary of subsidies amounting to 50% of the expenditure, of which 10% will be disbursed in the form of a grant and 40% in the form of a facilitated loan. Against an admitted project worth Euro 500,000, a total subsidy of Euro 250,000 was granted, of which Euro 50,000 in the form of a non-repayable grant and Euro 200,000 in the form of a facilitated loan. The disbursement of the subsidies, which has not yet taken place, is being managed by Invitalia.

### Sace Simest Internationalisation Project

Agile Telecom's application for the Sace Simest tender has been accepted and approved. A subsidised financing instrument managed directly by the latter, part of the Cassa Depositi e Prestiti group, designed to support the internationalisation of Italian companies. This fund aims to support the international competitiveness of Italian companies by promoting expansion in foreign markets and encouraging exports and the opening of branches or joint ventures abroad. Among the various types of financing offered by the fund are feasibility studies, which cover the costs of preliminary studies for foreign investments, and foreign market insertion programmes, which finance investment projects aimed at international expansion. The fund supports the digital and ecological transition of companies, promoting digitalisation and sustainability. Agile Telecom applied for an allowance of Euro 350,000, of which 10% was non-repayable and the remainder at a subsidised rate of 0.464% per annum. The total duration of the loan is four years, of which two years of pre-amortisation and two years of repayment. To date, only the first tranche of four has been disbursed, amounting to 25% of the total, i.e. Euro 71,775 in funding and Euro 7,656 in non-repayable grants.

# Transactions with subsidiaries, associates, parents and other related companies

In 2024, the Growens Group implemented transactions between its parent company, subsidiaries and associates included in the scope of consolidation, associates and other related parties that were part of its core business. Interventions all aimed to promote development in a synergic context that favours positive integrations and lastly, the efficiency of processes in the Group. No atypical or unusual operations were carried out with respect to normal business management. Transactions essentially concern the provision of services that are part of the Group's core business, the holding activities provided by the parent company, such as accounting, legal, human resource management and administrative services in general, as well as the provision of technological services relating to the development of the Beefree proprietary editor and the management of the shared technology infrastructure and technological tools. Said relations come under the scope of ordinary business management and are stipulated at arm's length, or at the conditions that would have been established between independent parties.

| Company name | Receivables | Payables | Other payables | Dividends | Revenues | Costs |
|---|---|---|---|---|---|---|
| Agile Telecom | 90,403 | 3,018,472 | - | 1,491,918 | 1,924,807 | - |
| BEE Content Design | 1,386,125 | - | - | - | 11,032,387 | - |
| **Subsidiaries** | **1,476,528** | **3,018,472** | **-** | **1,491,918** | **12,957,194** | **-** |
| Consorzio CRIT Scarl | 305 | | 70,000 | | (5,916) | 19,200 |
| **Associates** | **305** | | **70,000** | | **(5,916)** | **19,200** |
| Floor Srl | 12,235 | | | | 10,028 | 171,166 |
| **Other related parties** | **12,235** | | | | **10,028** | **171,166** |

**Agile Telecom:** at the end of the 2024 financial year, the parent company had the following economic-financial relations with Agile Telecom: receivables relating to contracts for the supply of intercompany staff services for Euro 90,403, debt for Euro 3,018,472 deriving from the Group VAT regime managed by Growens, revenues for Euro 1,924,807 relating to intercompany staff services provided by the parent company, and dividends approved in favour of Growens for Euro 1,491,918.

**Bee Content Design:** at the end of the 2024 financial year, the parent company had the following economic-financial relations with the American subsidiary: receivables relating to intercompany contracts for Euro 1,386,125, revenues for Euro 11,032,387 relating to intercompany staff services and other core services relating in particular to the software development of the Beefree editor provided by personnel employed by Growens. By virtue of the strategic design outlined above, the Group is allocating significant and increasing resources to support Beefree growth and optimisation, strengthening the Italian teams (so-called Team Beefree) dedicated to technology and other functions, in parallel with the organisational growth taking place in the US. In the initial section relating to the Group Structure, reference was made to the capital increase completed by Growens in relation to Beefree for a total amount of USD 13.5 million by offsetting the US subsidiary's debt related to intercompany services provided by the parent company.

The associated company Consorzio CRIT Scarl regularly provides services to Growens, in addition to the non-interest-bearing shareholder loan of Euro 70,000 disbursed last year.

The real estate company Floor S.r.l., owned by some of the parent company's reference partners, has signed with Growens the lease contract for the building where the offices of the Cremona premises are located. The items highlighted refer to the existing real estate lease related to 2024. The receivable of Euro 12,235 relates to the sale of capital goods.

With regard to transactions with related parties attributable to Directors, please refer to the specific section Fees to Directors and Statutory Auditors in the Notes to this document.

## Treasury shares and shares/units of parent companies

No treasury shares were purchased during the 2024 financial year. The meeting of 18 April 2024 resolved to authorise the purchase and disposal of treasury shares and in particular the following: to authorise the Board of Directors to carry out the purchase and disposal of treasury shares for the following purposes:

(i) implement share incentive plans in whatever form they are structured (whether stock options, stock grants or work for equity plans) or proceed with free allotments to shareholders or fulfil obligations deriving from warrants, convertible financial instruments, with mandatory conversion or exchangeable for shares (based on existing transactions or transactions to be resolved/implemented);
(ii) allow the use of treasury shares in the context of transactions related to the Company's core business or projects consistent with the strategic guidelines that the Company intends to pursue, in relation to which the opportunity to exchange shares is materialized, with the main objective therefore to have a portfolio of treasury shares available to it in the context of extraordinary finance transactions and/or other uses deemed to be of financial, management and strategic interest to the Company with the aim of completing corporate integration transactions with potential strategic partners, exchanges of equity investments or agreements of a commercial and/or professional nature deemed strategic for Growens;

(iii) be able to use its treasury shares as investment for efficient use of liquidity generated by the Company's core business; and
(iv) take action (where possible and provided for by the applicable legal and regulatory provisions), in compliance with current provisions, including through intermediaries, to limit anomalous price movements and to regularize trading and price trends, in the face of temporary distorting phenomena linked to excessive volatility or poor trading liquidity or, more generally, in support of the liquidity of the share and the efficiency of the market.

It should be noted that the authorisation to purchase treasury shares is not preordained to share capital reduction operations through cancellation of the treasury shares purchased.
The Board of Directors is therefore authorised, for a period of 18 months from the date of resolution, to purchase fully paid-up ordinary shares of the Company, in one or more tranches, in an amount freely determinable by it up to a maximum number of treasury shares such as not to exceed 20% of the number of shares in circulation from time to time, at a unit price not lower than 15% and not higher than 15% of the reference price that the stock will have recorded in the market session of the day preceding each individual transaction.
Purchases may be made, in any case in compliance with the equal treatment of shareholders, in any of the following ways: (i) public offer for purchase or exchange; (ii) purchases made on the Euronext Growth Milan market, in accordance with market practices that do not allow the direct matching of trading proposals for purchase with specific trading proposals for sale, or (iii) by any other method provided for by the law and therefore through block purchases or auction methods (including the so-called "Dutch" auction), as evaluated from time to time in relation to the best realisation of the meeting proxy.
In any event, purchases will be made - in accordance with the provisions of Article 2357, paragraph 1 of the Italian Civil Code - within the limits of the distributable profits and available reserves resulting from the latest duly approved financial statements of the Company.
In application of the so-called "whitewash" procedure pursuant to Article 44-bis, paragraph 2 of Consob Regulation no. 11971/1999, the treasury shares purchased by the Company in execution of said authorisation resolution will not be excluded in the ordinary share capital (and therefore will be counted in the same) if, as a result of the purchases of treasury shares, a shareholder exceeds the relevant thresholds pursuant to Article 106 of Legislative Decree no. 58/1998.

At the end of the 2024 FY, Growens holds a total of 2,709,641 shares, equal to approximately 17.6% of the related share capital for a total amount of Euro 18,280,938 as resulting from the related negative equity reserve.

## Use of subjective estimates and valuations

The draft of the financial statements requires from the Directors the application of standards and methods which, in some cases, are based on difficult and subjective evaluations and estimates based on historical experiences and assumptions which are each time considered reasonable and realistic based on the relative circumstances. The application of these estimates and assumptions influences the amounts shown in the financial statements – the consolidated statement of financial position, the statement of comprehensive income, the statement of changes to equity and the statement of cash flow – as well as in the disclosure supplied. The final results of the balance sheet entries, for which the aforesaid estimates and assumptions have been used, may differ from those posted on the balance sheet that represents the effects of the estimated event, due to the uncertainty that characterises the assumptions and conditions on which the estimates are based. The topic of impairment of assets, strongly impacted by the use of estimates and valuations, is mentioned below, for which a change in the conditions underlying the assumptions used could have a significant impact on the consolidated financial data.

## Impairment of assets

The Group's tangible and intangible assets are impaired at least once a year if they have an indefinite useful life or, more often, if there are events that suggest that their carrying amount may not be recovered. Impairment is determined by comparing the carrying amount with the recoverable amount, which is the higher of fair value less costs to sell and value in use determined by discounting the estimated future cash flows from using the asset less costs to sell. The expected cash flows are quantified in the light of the information available at the time of the estimate, on the basis of subjective judgements regarding future trends in variables – such as prices, costs, the rate of growth of demand – and are discounted using a rate that takes account of the risk inherent to the asset concerned. Goodwill and other intangible assets with an unlimited useful lifespan are not amortized. The recoverability of their carrying value is checked at least annually and whenever events occur which imply a drop in value. Goodwill is tested at the smallest CGU at which management monitors, directly or indirectly, the return on investments in assets that include the goodwill. When the book value of the CGU, including the goodwill attributed to it, exceeds the recoverable value, the difference is subject to impairment, which is allocated first to the goodwill up to its amount. Any excess impairment is allocated pro rata to the book value of the assets which constitute the CGU. To verify the outcome of the impairment procedure, please refer to the specific paragraph in the Notes to these consolidated annual financial statements.

## Disclosure on risks and uncertainties pursuant to Article 2428, paragraph 2, point 6-bis of the Italian Civil Code

## Risk analysis

As part of its business, the Group is exposed to risks and uncertainties, deriving from exogenous factors connected with the general macroeconomic context or the specific context in the segments in which it operates, as well as to risks deriving from strategic choices or internal operating risks. The identification and mitigation of such risks has been carried out systematically, allowing for the monitoring and timely oversight of the risk levels detected.

Under the scope of the business risks, the main risks identified, monitored and managed by the Group are as follows:

- Risks related to the general economic trend;
- Risks related to the market;
- Risks related to financial operations;
- Risks of recovery of assets;
- Risks related to external unlawful acts;
- Reputational and Corporate Social Responsibility (CSR) risks;
- Reputational risks;
- Environmental risks.

## Risks related to the general economic trend

The economic-financial position of the companies belonging to the Group, is influenced by all factors comprising the Italian and international macroeconomic context. In the reporting period and especially at the beginning of 2025, general economic uncertainties have intensified further also at international policy level, the effects of which are unpredictable and cannot be easily measured. Additional exogenous factors relating to current and future political scenarios, in Italy as well as in other EU countries or generally at international level, could negatively affect consumer confidence, purchasing power and spending capacity. Growens has been able to grow and achieve important objectives. However, the possible permanence of national and international conditions of uncertainty and the unpredictable effects of the same, could still have negative impact on the Group's business, following a possible decline in revenues, profitability and cash flows.

For a more detailed analysis, see the notes on the macroeconomic situation at the beginning of this Report.

## Market risks

The sectors in which the Group operates are characterised by rapid technological development and suffer the competitive pressure deriving from the fast pace of development of technology. The Group's success depends, amongst other aspects, on the capacity to innovate and strengthen its technologies, in order to respond to the technological progress in the sector. The Group may find itself having to cope with a more acute competition by virtue of the emerging technologies and services that may be introduced or implemented in the future. The new technologies, in fact, may limit or reduce the company's business and/or encourage the development and growth of new operators.

If the solutions offered by the Group should be unable to satisfy the needs of customers and/or respond to technological progress, rapid improvements and the ability to develop and introduce new services, new applications and new solutions to the market in a timely manner and at competitive prices will be required. The Group's incapacity to improve, develop, introduce and supply services quickly that are able to satisfy market demands, including in technological terms, may have a negative impact on operating results or may make its services obsolete. In order to maintain its competitiveness on the market, the Group will therefore need to invest further in research and development, with high capacity to adjust to continue responding to the rapid technological changes and constantly develop the characteristics of its services so as to respond to the changing market demands.

If the Group should be unable to adjust promptly to the technological evolution and/or the introduction of new solutions, negative effects may be seen on the consolidated economic, equity and financial position.

In another part of this same document we have highlighted in detail how constant investment in research, development and innovation of the Group's services is a fundamental strategic guideline for the Group, to which increasing resources are dedicated, with the aim of mitigating as far as possible this risk inherent in the reference market.

At present, the breadth and complexity of the reference markets is more contained, also as a result of the derisking effect of the extraordinary transactions of the previous year, concentrating the focus of development on the growth potential of the American subsidiary Beefree, supported by a consolidated business such as that of Agile Telecom, but at the same time increasing the risks inherent in the more contained diversification of the business reference areas.

## Risks related to financial operations

## Credit risk

The credit risk is determined by the exposure to potential losses deriving from failure by counterparties to fulfil the obligations they have assumed. Credit management is entrusted to the Group finance and administration department, which, on the basis of formalised assessment and appointment procedures of commercial partners, seeks to minimise the risk. To reduce the risk of insolvency arising from trade receivables, the focus is on encouraging the use of electronic payments by customers, in particular of the Beefree Business Unit. The share of collections deriving from electronic payments is substantial, improving the quality of trade receivables and reducing the impact of the costs of debt collection.

It must be considered that the financial assets of the Group have a good credit standing.

## Liquidity risk

The liquidity risk consists of the impossibility of respecting payment commitments due to difficulties in obtaining funds or liquidating assets on the market. The consequence is a negative impact on the economic results if the Group is forced to incur additional costs to fulfil its commitments or, as an extreme consequence, a situation of insolvency that risks the company as a going concern. The Growens Group currently enjoys good liquidity, also thanks to its admission to trading on the Euronext Growth Milan market and its excellent relations with the banking system. Financial debt is mainly aimed at supporting strategic investments, particularly in research and development of its products.

In order to optimise the management of financial resources and reduce the liquidity risk, the Group has adopted processes for the systematic monitoring of prospective liquidity conditions, in connection with business planning. The Group expects to meet its financing needs from available liquidity and cash flows from operations. Future projections of the Group's financial performance suggest that the prospective financial resources, together with current availability, will be able to ensure adequate support for operations and planned ordinary and extraordinary investments.

## Interest rate risk

The parent company has historically made moderate use of financial leverage through the banking channel, mainly in the medium and long term, benefiting from the previous favourable trend in debt costs, in order to support extraordinary external growth operations, investments relating to software development activities and other strategic investments. The remaining medium- and long-term loans were contracted at a subsidised fixed rate or at a very convenient rate. A short-term variable-rate credit line is only occasionally used by Agile Telecom, with an extremely short time horizon, in order to cope with cash stress at certain particularly demanding month-end payments. The risk of unfavourable fluctuations in interest rates, if negotiated at a floating rate, is limited to this type of loan, except for future loans that are subsequently taken out at a floating rate. The economic situation has recently led to a reduction in reference rates such as the Euribor after a very significant hikes cycle. However, subsequent upward trends cannot be ruled out. The future rise in interest rates may result in an increase in related financial expenses with consequent negative effects on the economic and financial situation of the Company, even if the prevalence of own financial resources compared to recourse to indebtedness to third parties reduces the possible impact. The liquidity from the extraordinary transactions of the previous year was allocated, in addition to dividends, to strategic investment in the Beefree project and, for the surplus, to prudential investment in securities in order to maximise the return on liquidity not currently allocated to specific investments. At the same time, bank debt was restructured by closing the sources most exposed to increases in the cost of borrowing.

## Exchange rate risk

There are trade receivables and payables held in foreign currencies by Growens mainly with regards to the foreign subsidiary Bee Content Design, as well as marginal amounts for trade payables and receivables in foreign currencies with third-party suppliers and customers, also relating to other Group companies. The consolidated values of the US subsidiary are expressed in foreign currencies, notably US Dollars, which are susceptible to exchange rate fluctuations against the Euro. In many instances, these fluctuations have been significant and, recently, marked by pronounced volatility. The current exposure to risks associated with exchange rate fluctuations is believed to be reduced, with potentially increasing risk in relation to future growth in terms of Beefree activity volumes. For this reason, the Finance function within the Holding regularly monitors the trend of the risk and resorts to hedging operations for non-speculative purposes in order to limit possible negative effects deriving from extremely unfavourable developments in the Euro/Dollar exchange rate.

## Risk of recovery of assets

The risk of recovering the value of the assets held by the Group refers to the economic and financial performance of the consolidated companies and the capacity to produce sufficient cash flow to guarantee recovery of the investment value. This risk is monitored by the management through the regular verification of economic results, including under the scope of specific valuation procedures, such as, for example, by carrying out impairment tests at least annually or more frequently where there are indicators that the value recorded is not fully recoverable.

## Risks related to external unlawful acts

With reference to this category, among the main potential risks, fraudulent events related to Cyber attacks were highlighted. These risks may cause the possible slowdown or interruption of the services provided by the Group and compromise the confidentiality of personal data related to these services, as well as damage the Group's commercial reputation. All these assumptions could have a negative, even significant, economic and financial impact. In order to mitigate the risk of the occurrence of such situations, the Growens Group has implemented and is investing increasingly significantly in strengthening a system of controls aimed at improving the Group's IT security, both through external consultants with proven experience and reliability, but above all by recruiting and training highly specialised figures within its workforce with high professionalism and specific skills.

### Reputational and Corporate Social Responsibility (CSR) risks

In carrying out its business, the Group may be subject to worsening of the perception of trust and reputation by its stakeholders due to the dissemination of prejudicial news or failure to meet the sustainability requirements defined in the CSR Report with reference to the economic, environmental, social and product aspects. The Group is particularly sensitive to these issues, including environmental sustainability, an ethical approach to business and the containment of related risks, to which it is dedicating more and more resources, as reflected in the ESG consolidated report published annually on a voluntary basis and freely available on the Group's website.

### Environmental risks

Group companies and the parent company itself are located in areas not subject to particular environmental risks such as floods, earthquakes and landslides. The climatic changes in recent years, which have resulted in torrential rainfall, including very violent events such as water bombs and tornadoes, especially in the summer period, do not create foreseeable problems for business continuity. The companies are all insured against damage, the facilities in which they operate are safe and in accordance with the law. To date, no significant damage has ever occurred as a result of sudden and intense climatic events. It can therefore be stated that, apart from expecting the Company to continue as a going concern, we do not assess any particular problems in this area that could cause significant material damage to equipment and infrastructure and consequent impacts on the economic-financial level.

## Significant events after the end of 2024

On 13 January 2025, the subsidiary Agile Telecom received notification of a notice of objection from the Directorate of Electronic Communications Networks and Services of the Italian Communications Regulator (AGCom) concerning an alleged infringement of the Alias Regulation, adopted by AGCom Resolution no. 12/23/CIR. The company believes it has a reasonable chance of having its case recognised. Please refer to Agile Telecom's 2024 Financial Statements for a detailed analysis of the above.

## Outlook

### BEEFREE DEVELOPMENT PLAN

*Introduction - Sector and competitive context*

In the last fifteen years, design has become more accessible thanks to tools such as Canva and Adobe Express that allow even users without technical skills to create various digital

content. Despite progress, email service providers still have room for improvement in their graphics modelling offerings. Beefree has distinguished itself as a pioneer in the niche of Visual Email Builders since 2014, in a market now also crowded with venture capital-backed players. Generative artificial intelligence is revolutionising the sector in several areas, from content production to reporting, with an increase in demand for content expected in the coming years. In this context, Growens reinforced its investment in Beefree to capitalise on these developments and maintain competitiveness.
The SaaS (Software-as-a-Service) sector also experienced average growth, which halved year-on-year, while Beefree grew at twice the rate of the market average. Therefore, although Beefree's performances were lower than initially expected, they were higher than those measured in the reference market.

*Beefree 2024-2027 three-year plan summary*

The Beefree mission is to democratise the design of complex digital assets - such as emails and landing pages - by creating tools that empower people to do their best work.
The strategic guidelines shared by Growens and Beefree aim to achieve positive development in both its operating segments, Beefree and Beefree SDK, by leveraging its proprietary technology and its historical critical success factors: responsible business approach, innovation and growth, product-led-growth.
As a result of the integration with RGE, highlighted above, the strategic plan for the organic growth of the Beefree business unit includes the following projected targets:

- Revenues: 2024-2027 CAGR: 20-23%
- Gross margin when fully operational (2026) above 80%
- EBITDA break-even in 2027
- Ebitda when fully operational: above 15%
- Negative cash flow in 2024-2025 of USD 12 million, with break-even in 2028
- ARR as of December 2026 between USD 21-23 million
- ARR as of December 2027 between USD 24-27 million

In the M&A field, the approach remains opportunistic, focused on the constant scouting of companies of all sizes and geography, capable of accelerating the growth process in Beefree core business areas, expressing synergies in complementary technologies, people or go-to-market.

*Target 2025*

In relation to the evolution of the market context, investments were reallocated, focusing them in particular on the development and optimisation of Beefree SDK, the solution intended for developers, and reducing them instead on Beefree App, the solution intended for designers. This decision, the result of a careful analysis of the current landscape, has already shown a sustained growth trend: ARR growth was over 33% for Beefree SDK in 2024. Thus, this refocusing creates potential for medium-term acceleration.

For FY 2025, Beefree's budget guidance include: the release of the multi-region infrastructure by March 2025; continued investment in incremental innovations, including several features based on generative AI and an HTML Converter that will reduce barriers to entry for users; new "hosted" add-ons for SDK customers, which will aim to increase revenue per customer; and the development of features targeted at the Enterprise segment for the Beefree App. At the commercial level, the Startup Program, inaugurated in mid-2024 and dedicated to the Beefree SDK service, is still ongoing.

At an organisational level, the new Growth team led by Mike Nelson started in January 2025 and will work to increase the size of the Beefree App's new user entry channel with a particular focus on the Really Good Emails site acquired during 2024, and the conversions of current free users/visitors into paying ones.

The investment in the Community area, spearheaded by Justine Jordan, is projected to deliver medium-term returns, accompanied by substantial current guidance for the product development roadmap.

## AGILE TELECOM DEVELOPMENT PLAN

The A2P messaging market is going through an advanced maturity phase, characterised by a gradual contraction of volumes and margin compression due to intensified competition and pricing policies of mobile players. While SMS remains a central tool for transactional and authentication communications, its use for marketing purposes is declining, driven by the growing adoption of more interactive and sometimes less expensive digital channels, especially on foreign directives.
In this context, Agile Telecom aims to safeguard and, where possible, increase its margins through optimisation of termination routes, more efficient management of operating costs and the development of value-added services. At the same time, the company is expanding its messaging solutions portfolio, investing in alternative channels such as RCS, Telegram and WhatsApp Business, which represent a growing opportunity for companies looking for richer and more interactive ways to communicate.
Market evolution requires an approach increasingly oriented towards diversification and flexibility. For this reason, Agile Telecom will continue to strengthen its ability to adapt, focusing on a scalable technological infrastructure and on pricing and delivery models that guarantee sustainability and competitiveness in the long term.

## Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001

In compliance with the provisions of Legislative Decree no. 231 of 8 June 2001 ("**Decree 231**"), in 2015, Growens adopted its own organisational model and its own Code of Ethics meeting the requirements of the Decree 231.

In collaboration with professionals with proven experience, during the last months of 2017, a complex internal audit and review process was started, which ended with the approval by the Board of Directors meeting held on 15 May 2018 of a new organisational model ("**Model 231**") and a new Code of Ethics ("**Code of Ethics 231**"). On the same date, the administrative body also appointed the Lawyer Gabriele Ambrogetti as the company's single-member Supervisory Body, which, at the end of the second term of office, has been confirmed once again until approval of the financial statements as at 31 December 2026.

In order to better manage the Company's business and, more generally, the activities of the Group to which it belongs, in recent years the Company has, therefore, paid particular attention to issues related to compliance and compliance with Decree 231, carrying out constant verification activities on the suitability of the Model to perform its general-preventive function as well as its consistency with the Company's operations, providing specific training to its employees and updating, where necessary, its Model 231 and its Code of Ethics 231.

In this context, it should be noted that, in light of the so-called Whistleblowing Directive, as well as Legislative Decree no. 24 of 10/03/2023 and the ANAC Guidelines adopted by the latter authority with Resolution no. 311 of 12 July 2023, the Company proceeded to revise its procedure on whistleblowing matters (the "**Whistleblowing Procedure**") and to select a special software for managing whistleblowing reports and to provide specific training to Company staff.

At the same time - following the extraordinary transaction that led to the sale, respectively, to TeamSystem S.p.A., of the business line dedicated to email marketing, and to Squeezely BV, of 100% of the share capital of the Dutch subsidiary Datatrics B.V. and the consequent substantial change in the business model, as well as in light of certain new relevant offences within the scope of 231 introduced by the Italian legislator - the Company started and concluded in 2023 a review of its 231 Model and 231 Code of Ethics, in order to reflect the changed corporate structure and review the mapping of risk areas and related controls.

In order to provide an in-depth understanding of the legal implications and responsibilities associated with the legislation in question and at the same time strengthen staff awareness, during the first months of 2024, the Company - in line with what has been done in the past

- provided specific training focused on the special parts of Model 231 concerning the following predicate offences:

- Tax Offences
- Offences of Market Abuse
- Corporate Offences
- Safety at Work

Likewise, the Company revised and updated the training slides that are submitted to all employees during the onboarding phase, expanding the slides dedicated to the special parts of Model 231.

In 2024, the Company subsequently undertook:

a) a specific audit activity on the special chapters of Model 231 dedicated to Market Abuse crimes and Corporate crimes, and
b) a specific audit activity on the special parts of Model 231 dedicated to occupational health and safety crimes,

through which it was possible to ascertain the suitability of the 231 Model to prevent the types of offences referred to in Decree 231, and its consistency with the operating procedures adopted by the Company was also confirmed.

During 2024, the Supervisory Body regularly met with the Board of Statutory Auditors and the auditing firm in order to share information flows and the results of their respective activities, and was constantly updated on the main corporate news.

Lastly, the Company has recently started a revision of Model 231 and Code of Ethics 231 in order to adapt them to the most recent regulatory changes.

## Personal data processing

Due to the characteristics of its business, which requires the utmost correctness and attention in the processing of data, Growens has always been particularly sensitive to issues of Data Protection. In fact, the Group has also for years been assisted by legal advisors of proven competence and experience, on both national and international level, on these matters.

In particular - for the purposes of better management of the Company's business and, more generally, of the activities of the Group to which it belongs - the support remains confirmed of an external Data Protection Officer, whose role has been entrusted to ICTLC S.p.A. (the "DPO"), whose working group is composed of highly qualified, independent figures who are also experienced in the field of data protection and who continue to perform this function for the entire Group.

Following the corporate transactions that took place in 2024, the "Organisational Model for the protection of personal data" ("**MOP**", also known as the "**Group Data Protection Compliance Framework**") was also confirmed, as a tool for aligning the Group's policies and demonstrating that the processing of personal data is carried out in accordance with the GDPR. The MOP has been localised on all Group companies and reflects the position they want to adopt in relation to the processing of personal data, containing policies and procedures aimed at establishing a comprehensive internal framework on the processing of personal data - rules, standards and guidelines to be followed by employees and staff - but also to demonstrate the various measures implemented by the Group to comply with the various applicable privacy and data protection laws. In particular, the objective of the MOP continues to be to ensure a coherent and solid level of protection of personal data processed in the context of the activities carried out by Group companies, regardless of where said activities may take place. In addition to policies and procedures that cover all relevant aspects and obligations that must be considered in the processing of personal data, the MOP also includes various operational documents - such as models, questionnaires, assessment tools and fact sheets - to assist employees and staff of the Company in daily operations.

Furthermore, during the second half of 2024, a review and update of the processing registers of the Group companies continued, in addition to the preparation of the so-called "LIA – Legitimate Interest Assessment" whenever new processing operations based on the legal basis of legitimate interest and implemented by the individual companies come to light. Documents were also updated in relation to new personal data processing initiatives and activities carried out by the Company in its capacity as Data Controller or Data Processor. Among the most important activities carried out in this regard, it should be noted in particular the updating of the Procedures for managing data breaches of each company in the Group in a sense that is more consistent with the operating flows of each of them.

As part of the advisory activities carried out by the DPO, the 2024 mandate also included dedicated privacy support - as well as a regular update channel on the most relevant legislative changes in the field of privacy and data protection - pursuant to US state and federal regulations applicable to the business context of BEE Content Design Inc. ("Beefree"). The aim is to increasingly ensure adequate compliance of this company also with respect to the privacy regulatory landscape in the US, as well as constant updating in relation to the main legislative changes on the subject. This support has also been explained in a general analysis of the national data protection regulations in force in the US - and potentially applicable to Beefree - in order to identify potential gaps and/or improvement actions.

In addition, the DPO is currently supporting Beefree in its certification process under the EU-US Data Privacy Framework with the aim of ensuring an appropriate and lawful mechanism for the transfer of personal data from the European Economic Area to the US. This process is in its final stages, and it is estimated that certification can hopefully be achieved by Q1 2025.

In the first half of 2024, the DPO supported Beefree in carrying out privacy-related activities related to the corporate transaction that led to the acquisition of some strategic assets of the company Really Good Emails LLC., and then continued its privacy support and consultancy also during the second half of 2024 in relation to the issues of relevance for this business (above all, the privacy activities related to the organisation of the "Unspam" event).

Lastly, assessments continued on the data protection impacts of the implementation of AI-based tools within the tools provided or used by some Group companies. With the aim of minimising the risks associated with such integration, and pending the enactment of European Regulation (EU) 2024/1689 (so-called "**AI Act**", actually approved and published in the Official Journal of the European Union on 12 July 2024), a Policy on the use of AI tools was drafted, the content of which may be further revised and supplemented in light of the expected interpretative indications and specifications. The Group has also started some preliminary work with the DPO to assess the impact of this new regulation in order to comply with the applicable provisions of the AI Act.

Preliminary evaluations were also undertaken regarding the applicability to Group companies of recent European regulations related to the use of data, such as the Digital Service Act with reference to services rendered by Agile Telecom.

ICTLC is also supporting Agile Telecom and Beefree in assessing the applicability of the European accessibility provisions under the so-called "European Accessibility Act" (Directive (EU) 2019/882, hereinafter also "EEA"). It should be noted that this assessment also includes (i) for Beefree, the similar provisions currently in force in the US on accessibility, and (ii) for Agile Telecom, the local legislation transposing the aforementioned EEA (see Law 4/2004 and subsequent amendments, as well as Legislative Decree no. 82/2022), with the consequent prescriptions on the obligations deriving from these regulations.

Thank you for the trust placed in us.

Milan, 13 March 2025

The Chairman of the Board of Directors

Matteo Monfredini

Matteo Monfredini

# 5. Group consolidated financial statements as at 31/12/2024

## CONSOLIDATED BALANCE SHEET AS AT 31/12/2024

| amounts in Euro | Notes | 31/12/2024 | 31/12/2023 | Change | Cha. % |
|---|---|---|---|---|---|
| Tangible assets | | 228,580 | 286,551 | (57,971) | (20.2)% |
| Right of Use | 1 | 1,283,515 | 1,258,009 | 25,507 | 2.0% |
| Intangible assets | 2 | 6,858,847 | 5,434,791 | 1,424,056 | 26.2% |
| Goodwill | 3 | 8,498,292 | 8,498,292 | 0 | 0.0% |
| Equity investments in associates and joint ventures | | 450,720 | 420,701 | 30,019 | 7.1% |
| Other non-current assets | 4 | 6,298,318 | 6,075,448 | 222,870 | 3.7% |
| Deferred tax assets | 5 | 2,191,456 | 1,369,823 | 821,633 | 60.0% |
| **Total non-current assets** | | **25,809,728** | **23,343,615** | **2,466,113** | **10.6%** |
| Trade and other receivables | 6 | 9,406,046 | 8,747,887 | 658,158 | 7.5% |
| Other current assets | 7 | 19,396,022 | 9,621,356 | 9,774,667 | 101.6% |
| Cash and cash equivalents | 8 | 4,970,777 | 40,488,090 | (35,517,313) | (87.7)% |
| **Total current assets** | | **33,772,845** | **58,857,332** | **(25,084,487)** | **(42.6)%** |
| **Total Assets** | | **59,582,573** | **82,200,948** | **(22,618,374)** | **(27.5)%** |
| Share capital | 9 | 384,834 | 384,834 | 0 | 0.0% |
| Reserves | 9 | 36,516,688 | (1,611,653) | 38,128,341 | 2,365.8% |
| Group result of the period | 9 | (2,430,410) | 58,213,479 | (60,643,889) | (104.2)% |
| Shareholders' equity of non-controlling interests | 9 | 98,844 | (117,825) | 216,669 | 183.9% |
| **Total shareholders' equity** | 9 | **34,569,956** | **56,868,834** | **(22,298,878)** | **(39.2)%** |
| Amounts due to banks and other lenders | 10 | 1,034,118 | 2,074,235 | (1,040,116) | (50.1)% |
| Long-term Right of Use liability | 11 | 880,369 | 919,315 | (38,945) | (4.2)% |
| Provisions for risks and charges | | 333,333 | 133,333 | 200,000 | 150.0% |
| Staff funds | 12 | 1,300,534 | 1,097,245 | 203,289 | 18.5% |
| Deferred tax liabilities | | 909,858 | 358,397 | 551,461 | 153.9% |
| **Total non-current liabilities** | | **4,458,213** | **4,582,525** | **(124,312)** | **(2.7)%** |
| Trade and other payables | 13 | 11,003,447 | 12,730,699 | (1,727,253) | (13.6)% |
| Amounts due to banks and other lenders | 14 | 2,730,904 | 1,198,294 | 1,532,610 | 127.9% |
| Short-term Right of Use liability | 15 | 446,936 | 354,384 | 92,553 | 26.1% |
| Other current liabilities | 16 | 6,373,117 | 6,466,212 | (93,095) | (1.4)% |
| **Total current liabilities** | | **20,554,404** | **20,749,589** | **(195,184)** | **(0.9)%** |
| **Total Liabilities** | | **59,582,573** | **82,200,948** | **(22,618,374)** | **(27.5)%** |

## CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT AS AT 31/12/2024

| amounts in Euro | Notes | 31/12/2024 | % | 31/12/2023* | % | Change | Cha. % |
|---|---|---|---|---|---|---|---|
| Revenues SaaS | 17 | 12,585,243 | 16.9% | 10,237,069 | 13.6% | 2,348,174 | 22.9% |
| Revenues CPaaS | 17 | 60,010,417 | 80.6% | 62,945,049 | 83.9% | (2,934,632) | (4.7)% |
| Other revenues | 17 | 1,864,641 | 2.5% | 1,878,339 | 2.5% | (13,698) | (0.7)% |
| **Total revenues** | | **74,460,302** | **100.0%** | **75,060,458** | **100.0%** | **(600,156)** | **(0.8)%** |
| COGS costs | 18 | 56,760,013 | 76.2% | 60,244,752 | 80.3% | (3,484,739) | (5.8)% |
| **Gross profit** | | **17,700,289** | **23.8%** | **14,815,705** | **19.7%** | **2,884,584** | **19.5%** |
| S&M costs | 19 | 5,763,560 | 7.7% | 4,414,462 | 5.9% | 1,349,098 | 30.6% |
| **R&D costs** | **20** | **3,035,032** | **4.1%** | **1,941,566** | **2.6%** | **1,093,467** | **56.3%** |
| *Capitalized R&D costs* | | *(3,561,598)* | *(4.8)%* | *(2,860,622)* | *(3.8%)* | *(700,975)* | *24.5%* |
| *R&D costs* | | *6,596,630* | *8.9%* | *4,802,188* | *6.4%* | *1,794,442* | *37.4%* |
| General costs | 21 | 9,012,441 | 12.1% | 9,018,389 | 12.0% | (5,948) | (0.1)% |
| **Total costs** | | **17,811,033** | **23.9%** | **15,374,416** | **20.5%** | **2,436,616** | **15.8%** |
| **EBITDA** | | **(110,744)** | **(0.1)%** | **(558,710)** | **(0.7%)** | **447,967** | **80.2%** |
| General amortization, depreciation and provisions | 22 | 133,886 | 0.2% | 63,527 | 0.1% | 70,359 | 110.8% |
| Amortisation Right of Use | 22 | 522,426 | 0.7% | 411,603 | 0.5% | 110,822 | 26.9% |
| Amortisation R&D | 22 | 3,282,440 | 4.4% | 2,654,232 | 3.5% | 628,208 | 23.7% |
| **Amortisation, depreciation and provisions** | | **3,938,751** | **5.3%** | **3,129,362** | **4.2%** | **809,389** | **25.9%** |
| **EBIT** | | **(4,049,495)** | **(5.4)%** | **(3,688,073)** | **(4.9%)** | **(361,423)** | **(9.8)%** |
| Financial operations | | 1,341,360 | 1.8% | 1,025,461 | 1.4% | 315,899 | 30.8% |
| **EBT** | | **(2,708,136)** | **(3.6)%** | **(2,662,612)** | **(3.5%)** | **(45,524)** | **(1.7)%** |
| Income taxes | 23 | (30,698) | (0.0)% | (375,664) | (0.5%) | 344,966 | (91.8)% |
| Deferred tax assets (liabilities) | 23 | 203,789 | 0.3% | 12,938 | 0.0% | 190,850 | 1475.1% |
| **Net result from Continuing Operations** | | **(2,535,045)** | **(3.4)%** | **(3,025,338)** | **(4.0%)** | **490,293** | **16.2%** |
| **Net result from Discontinued Operations** | | **0** | **0.0%** | **61,157,070** | **81.5%** | **(61,157,070)** | **(100)%** |
| **Profit (Loss) for the period** | | **(2,535,045)** | **(3.4)%** | **58,131,733** | **77.4%** | **(60,666,778)** | **(104.4)%** |
| ***Group profit (loss)*** | | (2,430,410) | (3.3)% | 58,213,479 | 77.6% | (60,643,889) | (104.2)% |
| ***Minority interest profit (loss)*** | | (104,635) | (0.1)% | (81,746) | (0.1%) | (22,889) | (28.0)% |
| Actuarial profit/(loss) net of the tax effect | | (7,816) | (0)% | (261,467) | (0.3%) | 253,651 | (97.1)% |
| Profit/(loss) deriving from the conversion of the financial statements of consolidated companies carried in currencies other than the Euro | | 157,770 | 0% | (145,809) | (0.2%) | 303,578 | 208.2% |
| **Comprehensive period profit/(loss)** | | **(2,385,091)** | **(3)%** | **57,724,457** | **76.9%** | **(60,109,548)** | **(104.1)%** |

| | | | |
|---|---|---|---|
| Result: | | | |
| Per share | 24 | (0.1999) | (0.2160) |
| Diluted result | 24 | (0.1999) | (0.2090) |

*On 13 July 2023, following the closing of the sale to TeamSystem S.p.A., the sale of the Growens Email Service Provider business unit relating to the MailUp business unit and of the shares held in Contactlab S.p.A., Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. to TeamSystem S.p.A. was finalised for a total consideration of Euro 76.6 million as the final consideration net of the price adjustments subsequently defined by the parties pursuant to the signed sale and purchase agreement. On 20 October 2023, an agreement was also signed for the sale of the Danish subsidiary Datatrics BV for a total consideration of Euro 1.66 million to Squeezely BV, a company of the Dutch group Spotler. In the single comparison column of the consolidated income statement as at 31/12/2023, the ESP business, represented by certain Cash Generating Units, was consequently treated as Discontinued Operations in accordance with the dictates of IFRS 5 standard; therefore: in the comparative income statement for the 2023 FY, revenues and income and expenses related to net assets constituting Discontinued Operations were reclassified to Net Income from Discontinued Operations. It should be noted that the existing transactions between Continuing and Discontinued Operations in FY 2023 were treated as transactions between independent parties and that the income statement items referred to the Discontinued Operations also include the effect of the consolidation eliminations of these transactions. The application of the IFRS 5 standard to the comparison column as at 31/12/2023, in the terms set out above, was also carried out with regard to all tables that follow in this document and that refer to income statement values.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Figures in Euro | 31/12/2023 | Allocation of result | Dividend distribution | Increase in Reserves | Stock Option Plan | Profits/losses carried forward | FY result | 31/12/2024 |
|---|---|---|---|---|---|---|---|---|
| Share capital | 384,834 | | | | | | | 384,834 |
| Share premium reserve | 13,743,348 | | | | | | | 13,743,348 |
| Legal reserve | 80,000 | | | | | | | 80,000 |
| Extraordinary reserve | 8,543,943 | 39,064,120 | | | | | | 47,608,063 |
| Reserve for portfolio treasury shares | (18,280,939) | | | | | | | (18,280,939) |
| Reserve for exchange rate gains | 74,625 | | | | | | | 74,625 |
| Profit/(loss) carried forward | (4,737,643) | (890,890) | | (387,717) | | | | (6,016,250) |
| Stock Option Plan reserve | - | | | | 192,870 | | | 192,870 |
| OCI reserve and translation | (455,717) | | | 149,958 | | | | (305,759) |
| FTA reserve | (712,339) | | | | | | | (712,339) |
| Merger surplus reserve | 133,068 | | | | | | | 133,068 |
| FY result | 58,213,479 | (38,173,230) | (20,040,249) | | | | (2,430,410) | (2,430,410) |
| **Group Shareholders' Equity** | **56,986,659** | **-** | **(20,040,249)** | **(237,759)** | **192,870** | | **(2,430,410)** | **34,471,112** |
| Minority interests capital and reserves | (36,080) | (81,746) | | 321,304 | | | | 203,479 |
| Third-party result | (81,476) | 81,746 | | | | | (104,635) | (104,635) |
| **Shareholders' equity of non-controlling interests** | **(117,825)** | | | **321,304** | | | **(104,635)** | **98,844** |
| **Shareholders' equity** | **56,868,834** | **-** | **(20,040,249)** | **83,545** | **192,870** | | **(2,535,045)** | **34,569,956** |

| *Figures in Euro* | 31/12/2022 | Allocation of result | Increase in Reserves | Purchase of treasury shares | Profits/losses carried forward | FY result | 31/12/2023 |
|---|---|---|---|---|---|---|---|
| Share capital | 384,834 | | | | | | 384,834 |
| Share premium reserve | 13,743,348 | | | | | | 13,743,348 |
| Legal reserve | 80,000 | | | | | | 80,000 |
| Extraordinary reserve | 8,154,612 | | 389,331 | | | | 8,543,943 |
| Reserve for portfolio treasury shares | (277,675) | | | (18,003,263) | | | (18,280,939) |
| Reserve for exchange rate gains | 74,625 | | | | | | 74,625 |
| Profit/(loss) carried forward | (1,832,307) | (2,516,005) | | | 3,731,048 | | (617,264) |
| OCI reserve and translation | (83,854) | | 316,721 | | | | 232,867 |
| FTA reserve | (712,339) | | 98,889 | | | | (613,449) |
| Merger surplus reserve | 133,068 | | | | | | 133,068 |
| FY result | (2,516,005) | 2,516,005 | | | | 53,187,802 | 53,187,802 |
| **Shareholders' equity** | **17,148,307** | **-** | **804,941** | **(18,003,263)** | **3,731,048** | **53,187,803** | **56,868,834** |

## CONSOLIDATED CASH FLOW STATEMENT

| Consolidated Cash Flow Statement - Amounts in Euro | 31/12/2024 | 31/12/2023* |
|---|---|---|
| Profit (loss) for the period | (2,535,045) | 58,131,773 |
| Income taxes | 30,698 | 375,664 |
| Deferred tax assets/liabilities | (203,789) | (22,047) |
| Financial income (expenses) | (998,527) | (63,746,490) |
| Exchange (gains)/losses | (342,832) | 11,801 |
| (Dividends) | | (376,842) |
| **1 Profit (loss) of the period before income tax, interest, dividends and gains/losses from disposals** | **(4,049,495)** | **(5,291,796)** |
| Value adjustments for non-monetary items that have no equivalent item in net working capital: | | |
| Provisions for TFR | 404,689 | 548,702 |
| Other provisions | 264,964 | 187,034 |
| Amortisation and depreciation of fixed assets | 3,873,788 | 4,002,155 |
| Provisions and impairment | | |
| Other adjustments for non-monetary items | 142,029 | (768,480) |
| **2 Cash flow before changes in NWC** | **635,975** | (1,656,771) |
| Changes in net working capital | | |
| Decrease/(increase) in trade receivables | (658,159) | 8,080,206 |
| Increase/(decrease) in trade payables | (1,727,253) | (2,140,882) |
| Decrease/(increase) in accrued income and prepaid expenses | 334,267 | (179,425) |
| Increase/(decrease) in accrued liabilities and deferred income | 844,522 | (8,595,535) |
| Decrease/(increase) in tax receivables | (3,591,179) | 2,285,680 |
| Increase/(decrease) in tax payables | (27,327) | (2,927,373) |
| Decrease/(increase) in other receivables | (394,866) | 43,000 |
| Increase/(decrease) in other payables | (910,289) | (912,365) |
| Other changes in net working capital | | |
| **3 Cash flow after changes in NWC** | **(5,494,310)** | **(6,003,465)** |
| Other adjustments | | |
| Interest collected/(paid) | 1,749,382 | 42,959 |
| (Income tax paid) | (194,138) | |
| (Capital gains)/capital losses deriving from the disposal of assets | 0 | |
| Dividends collected | 0 | 376,842 |
| (Use of provisions) | (231,551) | (90,796) |
| **4 Cash flow after other adjustments** | **(4,170,616)** | **(5,674,460)** |
| **A Cash flow from operations** | **(4,170,616)** | **(5,674,460)** |
| **Tangible fixed assets** | **(41,774)** | **702,386** |
| (Investments) | (41,774) | 702,386 |
| | | |
| **Intangible fixed assets** | **(4,675,672)** | **2,337,427** |
| (Investments) | (4,675,672) | 2,337,427 |

| | | |
|---|---|---|
| **Financial fixed assets** | **(58,482)** | **8,619,742** |
| (Investments) | (58,482) | 8,619,742 |
| | | |
| **Short-term financial assets** | **(6,500,000)** | **(9,537,561)** |
| (Investments) | (6,500,000) | (9,537,561) |
| | | |
| **Acquisition or disposal of subsidiaries** | | **58,060,395** |
| **B Cash flow from investments** | **(11,275,928)** | **60,182,389** |
| **Minority interest funds** | **(30,519)** | **(3,170,241)** |
| Increase (decrease) in short-term payables to banks | 1,506,235 | (146,100) |
| Stipulation of loans | | 379,200 |
| Loan repayments | (1,536,754) | (3,403,281) |
| **Own funds** | **(20,040,249)** | **(18,003,263)** |
| Capital increase by payment | | |
| Sale (purchase) of treasury shares | | (18,003,263) |
| Dividends paid | (20,040,249) | |
| Change to share premium reserve | | |
| **C Cash flow from loans** | **(20,070,768)** | **(21,173,504)** |
| **Increase (decrease) in liquid funds (A ± B ± C)** | **(35,517,313)** | **33,334,425** |
| **Initial cash and cash equivalents** | **40,488,090** | **7,153,665** |
| *Cash and cash equivalents* | | *20,488,030* |
| *Cash equivalents* | | *20,000,060* |
| | | |
| **Final cash and cash equivalents** | **4,970,777** | **40,488,090** |
| **Change in cash and cash equivalents** | **(35,517,313)** | **33,334,4267** |

# 6. Notes to the Consolidated Financial Statements as at 31 December 2024

## General information

The Growens Group (hereinafter also referred to as "Growens Group" or "Group") is an operator active in two main business areas:

1) Software-as-a-Service ("**SaaS**"), comprising the development and marketing of Cloud services offered to its customers, with particular focus on content design. These services are performed by the subsidiary Bee Content Design Inc. (hereinafter referred to as "Beefree" or "Bee Content Design");
2) Communication Platform as-a-Service ("**CPaaS**"), through its subsidiary Agile Telecom S.p.A. (hereafter "Agile Telecom"), which develops and sells technologies for the mass sending of SMS, for marketing and transactional purposes, with over 370 connections to B2B operators.

For an in-depth analysis of the issues relating to the Group and its core business, please refer to the in-depth analysis in the introductory part of this document and the Report on Operations to the financial statements.

## Accounting standards

### Criteria for the preparation of the Group consolidated financial statements

In accordance with Article 4 of Legislative Decree no. 38 of 28/02/2005, which regulates the exercise of options envisaged by Article 5 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19/07/2002 relative to the application of international accounting standards, the parent company has exercised the faculty to voluntarily adopt the international financial reporting standards (hereinafter also referred to as the "IFRS"), issued by the International Accounting Standards Board ("IASB") and approved by the European Commission for the preparation of its consolidated financial statements starting from the year ended 31/12/2016. The term IFRS is used to refer to the new International Financial Reporting Standards, the revised International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

In this regard, please note that the IFRS accounting standards applied in drafting the financial statements closed as at 31/12/2024 are those in force on that date and are compliant with those adopted for preparing the financial statements as at 31/12/2023. For the purpose of preparing the accounting schedules, prevalence is given to the economic substance of transactions rather than to their legal form.

With reference to IAS 1, paragraphs 25 and 26, the Directors confirm that, in view of the Group's economic outlook, capitalisation and financial position, there is no uncertainty as the fact that the Group can operate as a going concern and that, consequently, in preparing the financial statements as at 31.12.2024, it should adopt accounting standards precisely under these terms.

These consolidated financial statements are subject to statutory auditing by BDO Italia S.p.A., under the appointment made upon it for the period 2023-2025.

## Consolidation standards applied in preparing the consolidated financial statements

The consolidated financial statements have been prepared consolidating the financial statements of the parent company on a line-by-line basis, and those of all companies in which the Company directly or indirectly holds the majority of voting rights as at 31/12/2024 ("line-by-line consolidation").

Companies are defined as subsidiaries when the parent company has the power, directly or indirectly, to manage them so as to obtain benefits from the exercise of said activities. The financial statements of subsidiaries are consolidated as from the date on which the Group acquires control of such and deconsolidated as from the date on which said control ceases.

According to the provisions of IFRS 3, the subsidiaries acquired by the Group are accounted for according to the acquisition method (purchase account).

The cost of acquisition corresponds to the current value of the assets acquired, shares issued or liabilities assumed as at the date of acquisition.

In preparing these consolidated financial statements, the items of the assets and liabilities, as well as income and expenses of the businesses included in the consolidation area, have been stated on a line-by-line basis.

The following have then been eliminated:

- the book value of the investments held by the parent company in subsidiaries included in the consolidation area and the corresponding portions of the companies' equity;
- intra-group financial and trade receivables and payables;
- income and expenses relating to transactions implemented between consolidated companies;
- dividends distributed between Group companies;
- the surplus acquisition cost with respect to the current value of the shares pertaining to the Group of the equity investments, is booked amongst the assets as goodwill. Any negative goodwill is booked on the Income Statement;
- any portions of shareholders' equity and the period result pertaining to minority shareholders are highlighted separately, respectively in a specific item of the consolidated balance sheet and income statement.

The tax effects resulting from consolidation adjustments made to the financial statements of consolidated companies have been recorded as necessary in the provision for deferred tax liabilities or deferred tax assets.

## Subsidiaries consolidated on a line-by-line basis

The consolidation concerned the shareholdings of the companies listed below, for which the parent company directly holds control (figures in Euro):

| Company name | City or foreign country | Share Capital Euro | Shareholders' equity | Net profit/(loss) | % held | Investment value |
|---|---|---|---|---|---|---|
| Bee Content Design Inc | USA | 60,475 | 4,323,891 | (4,577,208) | 97.71 | 14,197,167 |
| Agile Telecom S.p.A. | Carpi (MO) | 500,000 | 3,524,907 | 1,456,965 | 100 | 8,800,000 |
| **Total** | | | | | | **22,967,167** |

For detailed information on the activities carried out by the subsidiaries and the strategic role within the Growens Group, please consult the Report on Operations part of this Consolidated Report in the section "The Group".

The consolidated annual financial statements all refer to the closing date of the parent company corresponding to 31/12/2024.

## Criteria for converting financial statements not prepared in Euro

The conversion of the financial statements of the subsidiary Bee Content Design, expressed in US Dollars, is carried out using the following procedures:

- assets and liabilities were converted at exchange rates current as at 31/12/2024 last available quote before the end of the financial year;
- the items of the Income Statement have been converted at average exchange rates for FY 2024;
- the emerging exchange differences have been debited or credited to a specific reserve of consolidated equity named “Reserve from conversion differences”;
- equity items are converted at historical exchange rates on the date of the first consolidation;
- where such exists, goodwill and adjustments to fair value connected with the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted at the exchange rate in force on the date of first consolidation.

The exchange rates used refer to the Euro unit and are shown below:

| Currency | Exchange rate as at 31/12/2024 | Average exchange rate 2024 | Exchange rate as at 31/12/2023 | Average exchange rate 2023 |
|---|---|---|---|---|
| US Dollar | 1.0389 | 1.0824 | 1.105 | 1.0816 |

Source https://www.ecb.europa.eu

## Financial statements and alternative performance indicators (API)

The tables of the financial statements used have the following characteristics:

**a)** in the Statement of Financial Position, the assets and liabilities are stated in increasing order of liquidity; an asset/liability is classified as current when it meets one of the following criteria:

- it is expected to be realized/extinguished or expected to be sold or used in the normal operative cycle;
- it is mainly held for trading;
- it is expected to be realized/extinguished within 12 months of year end.

If none of these three conditions is met, the assets/liabilities are classified as not current;

**b)** in the Income Statement, the positive and negative items of income are stated according to destination as for the previous year. Starting from 2021, the consolidated Income Statement reports include details of revenues broken down by the two main strategic business areas, i.e. SaaS and CPaaS, rather than by product line (E-mail, SMS, Predictive Marketing), in order to (i) provide a better representation of the respective operating logics, which are homogeneous within them in terms of type of business model, go-to-market, KPIs (Key Performance Indicators) and financial parameters; (ii) provide information that better reflects the Group's management logic and strategic decisions; (iii) simplify reporting with a view to greater comprehensibility and comparability with international standards. This choice is dictated by the greater ease of reading and comparability with respect to the financial statements of the other players in the same sector.

The strategic business area SaaS (Software-as-a-Service) includes services provided to customers through platforms accessible in the cloud, used on the basis of multi-period contracts, mainly with recurring fees/subscriptions. At the level of the Business Unit, the area combines the revenues from the editor Beefree. The strategic business area CPaaS (Communication-Platform-as-a-Service) covers all messaging services provided on a wholesale basis via API, in particular provided by Agile Telecom.

Costs are divided into four macro-areas: Cost of Goods Sold (COGS), or costs of providing the Group's core services, and costs relating to the main operating areas, Sales and Marketing (S&M), Research and Development (R&D), in addition to General Costs (G&A) for administrative and structure expenses. Depreciation and amortization is also related to the different business areas. The section analysing the contents of the Income Statement items illustrates in more detail the criteria followed in the economic reclassification adopted. Also for the purposes mentioned above, reference was made to EBITDA (Earnings Before Interest Taxes Depreciation Amortization), an economic value not defined in the IAS/IFRS accounting standards representative of an Alternative Performance Indicator (API), equal to the operating result net of tangible and intangible depreciation and amortization;

**c)** the Other Comprehensive Income highlights all changes to Other comprehensive profits/(losses) occurring during the period, generated by transactions other than those implemented with shareholders and in accordance with the specific IAS/IFRS accounting standards. The Company has chosen to show said changes in a separate statement with respect to the Income Statement. Changes in Other comprehensive profits/(losses) are stated net of the related tax effects, separately identifying, in accordance with IAS 1R in force as from 1 January 2013, the components intended to be reversed on the Income Statement in subsequent years and those for which there is no provision for any reversal on the Income Statement;

**d)** the Statement of Changes in Equity, as required by international accounting standards, provides separate evidence of the period result and all other changes not carried on the Income Statement, but instead allocated directly to Other comprehensive profits/(losses) on the basis of specific IAS/IFRS accounting standards and transactions with Shareholders in their capacity as Shareholders;

**e)** the Cash Flow Statement is prepared applying the indirect method.

## Measurement criteria

The measurement criteria adopted by the Group, based on IAS/IFRS accounting standards, are consistent and substantially unchanged with respect to those applied in the annual financial statements as at 31/12/2023, with the exception of the new accounting standards adopted as of 2024 and listed below.

### NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2024

- In January 2020, the IASB published some amendments to IAS 1 clarifying that the definition of “current” or “non-current” of a liability depends on the right existing at the reporting date. The amendments are applicable from 1 January 2024.
- In September 2022, the IASB published an amendment entitled “Amendments to IFRS 16 – Leases: Lease Liability in a Sale and Leaseback”. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained Right of Use. The amendments are applicable from 1 January 2024.
- In May 2023, the IASB published an amendment entitled “Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements”. It requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity’s liabilities and cash flows and to understand the effect of those arrangements on the entity’s exposure to liquidity risk. The amendments are applicable from 1 January 2024.

The application of the new amendments has not had any significant impact either on values or on financial statement disclosures.

## ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE

As at the date of these Annual Financial Statements, moreover, the competent bodies of the European Union had not yet completed the endorsement process necessary for the adoption of the following accounting standards and amendments:

- On 15 August 2023, the IASB published "Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to consistently apply a methodology for verifying whether one currency can be converted into another and clarifies, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from 1 January 2025. However, earlier application is permitted.
- On 9 April 2024, the IASB published a new standard IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of the main financial statements and introduces important changes with regard to the income statement. In particular, the new standard requires to:
- classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;
- present two new sub-totals, operating profit and earnings before interest and taxes (i.e. EBIT). The new standard also:
- requires more information on the performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information;
- introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating result as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received). The new standard will enter into force on 1 January 2027. However, earlier application is permitted.
- On 9 May 2024, the IASB published IFRS 19 Subsidiaries without Public Accountability: Disclosures. Subsidiaries that meet certain eligibility criteria may elect to apply reduced disclosure requirements compared to the disclosure requirements of IFRS Accounting Standards when they comply with the recognition, measurement, and presentation requirements of the IFRS Accounting Standards. The criteria that must be met, as at the end of the financial year, are:
  - The entity is a subsidiary (as defined in Appendix A of IFRS 10 Consolidated Financial Statements);
  - The entity has no public accountability;

- The entity has a parent or intermediate parent that prepares financial statements available for public use in accordance with IFRS Accounting Standards.

The new standard will enter into force on 1 January 2027.

- On 30 May 2024, the IASB published “Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7”. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:

  - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions. With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments designated as FVOCI. The amendments will apply starting from the financial statements of years beginning on 1 January 2026.

In addition to the above pronouncements, during 2024 the IFRS Interpretations Committee (IFRIC) issued several agenda decisions, which do not constitute binding guidance. However, entities preparing financial statements in accordance with IFRS Accounting Standards are expected to take into account and follow the agenda decisions and this is the approach followed by market regulators worldwide.

The Group will adopt these new standards, amendments and interpretations, based on the expected date of application and will evaluate the potential impacts thereof, when approved by the European Union.

## Disclosure on the book value of financial instruments

In order to provide information capable of illustrating the exposure to financial risks, the information provided by the companies regarding the fair value measurement of financial instruments, as required by accounting standard IFRS 7, is of great importance.

The "fair value hierarchy" has three levels:

- level 1: if the financial instrument is listed on an active market;
- level 2: if the fair value is measured on the basis of valuation techniques based on parameters observable on the market, other than the prices of the financial instrument;
- level 3: if the fair value is calculated on the basis of valuation techniques based on parameters not observable on the market.

The table below shows the value of the financial instruments as at 31 December 2024.

| *(Amounts in Euro)* | Book value | Fair value | Fair value hierarchy |
|---|---|---|---|
| Other non-current financial assets | 2,341,502 | 2,341,502 | Level 3 |
| Other non-current financial assets | 3,956,815 | 3,956,815 | Level 1 |
| Other current financial assets | 11,834,813 | 11,834,813 | Level 1 |

For details on the composition of the items highlighted above, please refer to the specific Explanatory Notes provided below in this document.

## Contingent liabilities

At present, there are no legal or tax disputes that require the recognition of contingent liabilities in the context of Group companies.

# NOTES ON THE EQUITY, FINANCIAL AND ECONOMIC STATEMENTS

## Assets

## Non-current assets

### Rights of Use (1)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 1,283,515 | 1,258,009 | 25,507 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Office Right of Use IFRS 16 | 821,947 | 973,727 | (151,780) |
| Car Right of Use IFRS 16 | 317,767 | 158,882 | 158,885 |
| PC Right of Use IFRS 16 | 143,802 | 125,399 | 18,403 |
| **Total** | **1,283,515** | **1,258,009** | **25,507** |

On 01/01/2019 was the first-time adoption of the accounting standard IFRS 16 Leases. In the specific case of the Group, for office rental contracts, long-term vehicle leasing and rental contracts, with limited exceptions for short-term contracts or contracts of reduced value, it provides for the recognition of the Right of Use (RoU) acquired under non-current assets in the financial statements, as a balancing entry to the financial liability consisting of the present value of future lease fees.

The value of the Right of Use was determined by discounting the future lease fees provided for in the relevant contract at the time of first-time adoption of the accounting standard or subsequently at the time of signing new contracts or amendments to them. As for other tangible and intangible assets, the amounts shown above are net of the related provision for amortisation/depreciation and amounted to Euro 821,947 for leased offices, Euro 317,767 for vehicles and Euro 143,802 for hired personal computers, respectively. IFRS 16 requires the Right of Use to be amortised on a straight-line basis over the remaining life of the underlying contract.

## Intangible assets (2)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 6,858,847 | 5,434,791 | 1,424,056 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Software development | 6,507,509 | 4,847,304 | 1,660,205 |
| Third-party software | 340,775 | 569,968 | (229,193) |
| Trademarks | 3,461 | 5,121 | (1,660) |
| Other | 7,101 | 12,398 | (5,297) |
| **Total** | **6,858,847** | **5,434,791** | **1,424,056** |

The item “Software development” includes costs for the development of the Beefree editor and for technology services provided by Agile Telecom within their respective businesses. The asset represented by the Beefree editor was conferred by the parent company to the subsidiary Bee Content Design Inc, as from 31/12/2016. As at 31/12/2024 its value, net of the relevant accumulated amortisation, amounted to Euro 4.65 million. The item “Third-party software” includes costs relating to the implementation of software tools of third-party suppliers for long-term use within Group companies. The item “Trademarks” includes the expenses incurred for the deposit and protection of the Growens trademark in Italy and in other countries considered strategic in commercial terms. For an in-depth analysis of the new features brought to the Beefree editor in 2024 and regarding the other R&D projects carried out by the Group companies during the year, please refer to the paragraph “Research and development activities” of the Report on Operations, which is an integral part of these financial statements.

## Goodwill (3)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 8,498,292 | 8,498,292 | 0 |

Below is a breakdown of goodwill as at 31/12/2024:

| Description | 31/12/2024 |
|---|---|
| BEE Content Design, Inc. | 162,418 |
| Agile Telecom S.p.A. | 8,256,720 |
| Faxator goodwill | 79,154 |
| **Total** | **8,498,292** |

## Impairment testing of goodwill

The Directors, as recalled in the section on the accounting standards adopted (IAS 36), verify the potential recovery of goodwill recorded in the consolidated financial statements at least once a year, or more often in the presence of events that lead to believe that the carrying amount is not recoverable, using specific assessments (impairment tests) on each Cash Generating Unit (CGU). Goodwill is calculated as the difference in purchase value of the equity in subsidiaries and shareholders' equity of the subsidiary at the time of first consolidation. In the specific case, the CGUs are represented by the specific subsidiary to which goodwill refers. The potential recovery of the investment is determined with reference to forecast cash flow. Impairment testing was carried out considering the latest economic-financial forecasts for future years (2025-2027), as resulting from the budget data for FY 2025 and applying the forecasts of data contained therein for FYs from 2026 to 2027. These forecasts prepared for impairment testing have been approved by the administrative bodies of the subsidiaries and consider the effects envisaged for the application of the reference IAS/IFRS accounting standards.

The potential recovery of the value of goodwill is tested by comparing its carrying value, net of the effect of Net Invested Capital (also CIN or NIC), with its recoverable value, determined as the Enterprise Value, and possibly also considering the Equity Value that incorporates the effect of the Net Financial Position at the end of the year under review against the carrying value of the investment in the separate financial statements. This recoverable amount is represented by the current value of future cash flows of the subsidiaries, both for the specific flow period and in terms of the specific forecasting time frame, on the basis of the determination of the Terminal Value (TV) in application of the perpetuity method. In light of the Group's operations and the valuation practice relating to similar transactions in Italy and abroad, reference was made to the valuation methodology, commonly recognised by professional practice for transactions of this nature and companies operating in the reference sectors, of the analytical method of the Discounted Cash Flow (DCF), applied to the subsidiary Agile Telecom S.p.A.

The Discounted Cash Flow (DCF) method applied to the forecasts of the 2025-2027 Plan (Long Range Plan or LRP), approved by the administrative bodies of the subsidiaries, and to the Terminal Value of the business estimated at the end of the explicit period of the reference LRP, was based on the application of a WACC (weighted average cost of capital) discounting rate.

The calculation of the weighted average cost of capital is performed on the basis of the following variables:

- Risk-free rate: implied risk-free rate of return determined on the basis of the annual average yields of Italian Government Bonds or of the reference country of the specific company for foreign subsidiaries;
- Risk premium: return expected by investors on a specific market according to the specific country risk and average cost of debt (spread);
- Small size premium: a further spread of 3% was added, with prudential purposes, which takes into account the small size of the subsidiaries compared to the international competitors in the sector;
- Sector-specific beta that measures the expected variability of returns upon a 1% variation in the market prices;
- The cost of debt is also considered net of the specific tax rate;
- The final value of the WACC is weighted according to the average Debt/Equity ratio for the sector (source: Damodaran - Advertising capital structure, updated in the beginning of 2025) to express the weight of recourse to equity and financial capital of third parties. The WACC applied in the case of Agile Telecom is equal to 10.57%.

In order to further stress the results of the impairment test and to verify its resilience even under worst-case assumptions with respect to the expected results, the Directors applied prudential sensitivity assumptions progressively worsening assumptions to both the Terminal Growth Rate and the WACC. For Agile Telecom, the focus was on Enterprise Value, which did not benefit from the positive NFP at year-end 2024 (cash positive Euro 1.2 million) and substantially doubled year-on-year. This value was higher than the NIC-adjusted goodwill even under sensitivity assumptions (reduction of Terminal G and WACC increase of 0.5%, 1% and 1.5%).

For BEE Content Design, reference was made, as it was already available, to the professional evaluation of an independent external contractor, the international specialised consultant Sharp 409A Software LLP. The document was also issued on 17 February 2025 for the purpose of compliance of the Fair Value of Beefree’s shares thus attributed with US tax law in relation to the current stock option plan. This valuation, which incorporates the final results referred to 31/12/2024 and is also based on the three-year Business Plan 2025-2027, or Long Range Plan, previously approved by the Board of Directors of Bee Content Design, has returned a final Fair Market Value that is significantly higher in terms of Enterprise Value and Equity Value compared to the carrying value of the investment and the goodwill recognised, even taking into account the financial support from Growens in the form of deferred payment of invoices for intercompany services and the recapitalisation carried out on 17 December 2025, already mentioned at the beginning of this report. The debt to the parent company was reclassified as a negative element of the NFP in order to test the resilience of both of the above values. For prudential purposes, a DLOM (Discount for Lack of Marketability) was applied, which discounts the results obtained by 35%, considering the fact that the shares of Bee Content Design are not listed on a public market and are therefore more difficult to trade.

For both CGUs, no impairment to the goodwill recognised was therefore necessary.

## Other non-current assets (4)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 6,298,318 | 6,075,448 | 222,870 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Receivables from associated companies | 70,000 | 70,000 | 0 |
| Receivables from others | 126,520 | 99,328 | 27,192 |
| Pledged amounts BPER | 1,288,208 | 1,259,520 | 28,688 |
| Escrow on sale of ESP BU | 4,813,589 | 4,646,600 | 166,989 |
| **Total** | **6,298,318** | **6,075,448** | **222,870** |

The receivables in question are all expected to be collected over 12 months and are therefore classified as "non-current". The item "Receivables from others" relates to security deposits due after one year: the change stems from increases due to Beefree security deposits related to employment relationships with employees residing in countries other than the United States managed through the international platform Deel.

The item "Pledged amounts BPER" refers to the amount withheld as pledge on government securities by Banca Popolare dell'Emilia Romagna against the disbursement of the loan connected to the MISE "ICT - Digital Agenda" call for tenders. The amount of the pledge is calculated as 40% of the total disbursed by BPER and Cassa Depositi e Prestiti. The item "Escrow on sale of ESP BU" amounting to Euro 4.6 million is attributable to a portion of the price paid by TeamSystem S.p.A. pledged as escrow as is customary in the settlement of similar extraordinary transactions, in particular to guarantee certain obligations related to the sale of the ESP business. For a better return on the cash temporarily tied up in Escrow, these funds were invested in interest-bearing deposit accounts or other low-risk securities, mainly government bonds. Since these securities are intended for "trading", i.e. maximising the return on liquid assets not invested for business purposes, in accordance with IFRS 9, they were measured at fair value with capital gains of Euro 14 thousand recognised in the Income Statement based on the market value at the end of the period. Lastly, there is the non-interest-bearing loan to the associate Consorzio CRIT in the amount of Euro 70 thousand.

### Deferred tax assets (5)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 2,191,456 | 1,369,823 | 821,633 |

Deferred tax assets refer to temporary differences recorded in the individual financial statements and consolidation differences that will reverse over the next financial years.

Details in connection with each Group company can be summarized as follows:

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Growens Spa | 117,619 | 373,277 | (255,658) |
| Agile Telecom Spa | 53,463 | 43,105 | 10,357 |
| Bee Content Design Inc | 2,020,374 | 953,440 | 1,066,934 |
| **Total** | **2,191,456** | **1,369,823** | **821,633** |

## Current assets

### Trade and other receivables (6)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 9,406,046 | 8,747,887 | 658,158 |

The increase in trade receivables is mostly attributable to Agile Telecom, which is quite flexible in managing the terms of commercial deferment to certain strategic clients with very high monthly volumes in exchange for improved conditions in terms of prices charged and additional sales volumes. It should be noted that Agile Telecom does not present any particular risk situations with regard to collections from clients and business partners. Beefree recorded an increase in receivables in line with the increase in revenue for the period, while Growens' receivables from third parties are gradually being depleted due to its predominant role as a holding company serving the Group with residual relations with external clients.

Below is the breakdown of receivables by geographic area:

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Italy | 2,734,493 | 2,255,196 | 479,297 |
| EU | 1,141,371 | 1,041,129 | 100,242 |
| Non-EU | 5,530,180 | 5,451,561 | 78,619 |
| **Total** | **9,406,046** | **8,747,887** | **658,158** |

## Other current assets (7)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 19,396,022 | 9,621,356 | 9,774,667 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Inventories | 33,849 | 37,128 | (3,279) |
| Tax receivables | 738,355 | 553,132 | 185,223 |
| Other receivables | 598,099 | 199,953 | 398,146 |
| Accrued income and prepaid expenses | 1,488,577 | 1,822,844 | (334,267) |
| VAT credit | 4,702,331 | 2,116,744 | 2,585,587 |
| Other current financial assets | 11,834,813 | 4,891,561 | 6,943,252 |
| **Total** | **19,396,022** | **9,621,356** | **9,774,667** |

The increase is mainly due to the items relating to other current financial assets which correspond to additional investments of Euro 6.5 million, compared to those already present at the end of the previous financial year. These are low-risk securities, mainly government securities, bonds and bond funds, and to a lesser extent equity funds, purchased for "trading" purposes, i.e. to maximise the return on liquid assets temporarily not invested for business purposes. In accordance with IFRS 9, these were measured at fair value with the related capital gains recognised in the income statement based on the market value at the end of the period. The rise in Other receivables is attributed to the contribution from the call for new skills fund, which was accrued in 2023 but remains unpaid, amounting to Euro 427 thousand. Another particularly significant change relates to the increase in the Group VAT credit related to Agile Telecom and Growens and managed by the same parent company.

## Cash and cash equivalents (8)

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Cash and cash equivalents | 4,970,777 | 40,488,090 | (35,517,313) |

The balance represents liquid funds and cash as well as valuables held as at 31/12/2024. The alteration was primarily driven by the issuance of an extraordinary dividend of Euro 20 million, additional investments in securities in the amount of Euro 6.5 million, and R&D expenditures associated with Beefree, and other dynamics concerning the Group's VAT receivables, trade receivables and payables of Agile Telecom, as well as the account of one-off items relevant to the preceding year.

# Liabilities and Shareholders' Equity

## Group Shareholders' Equity

### Share capital and reserves (9)

The table below shows the share capital:

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 384,834 | 384,834 | 0 |

The share capital of the parent company Growens is entirely paid in and is represented as at 31/12/2024 by 15,393,343 ordinary shares with no par value, whose accounting parity comes to Euro 0.025 each.

Below is the composition of the reserves:

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 36,516,688 | (1,611,653) | 38,128,341 |

| Description | Balance as at 31/12/2023 | Increases | Decreases | Balance as at 31/12/2024 |
|---|---|---|---|---|
| Share premium reserve | 13,743,348 | | | 13,743,348 |
| Legal reserve | 80,000 | | | 80,000 |
| Extraordinary reserve | 8,543,943 | 39,064,120 | | 47,608,063 |
| Reserve for exchange adjustments | 74,625 | | | 74,625 |
| FTA reserve | (712,339) | | | (712,339) |
| OCI reserve and translation | (455,717) | 149,958 | | (305,759) |
| Reserve for portfolio treasury shares | (18,280,938) | | | (18,280,938) |
| Merger surplus reserve | 133,068 | | | 133,068 |
| Group profits (losses) carried forward | (4,737,643) | (1,278,607) | | (6,016,250) |
| Stock option reserve | | 192,870 | | 192,870 |
| **Total** | **(1,611,653)** | **(38,128,341)** | | **36,516,688** |

The main changes in reserves are attributable to the allocation of Growens' 2023 profit to an extraordinary reserve, net of the Euro 20 million dividend allocation, as well as the subscription of a new stock option plan reserved for directors and employees of the parent company and BEE Content Design, which is described in the following section.

The consolidated net result for the period was a loss of Euro 2,535,045, of which Euro 2,430,410 was attributable to the Group. For an in-depth analysis of the consolidated results, please refer to the specific section of the Report on Operations to these financial statements.

## Stock Option or Long Term Incentive Plan

The subsidiary BEE Content Design has approved a long-term incentive plan (Long Term Incentive or LTI) intended for certain individuals to be identified among the directors and employees of Beefree and Group companies, in particular of the parent company Growens, in order to attract and retain resources who, by virtue of the top position held or thanks to the employment or collaboration relationship maintained, are considered relevant for Beefree and the Group companies.

In particular, the plan consists of the assignment to the beneficiaries of a number of option rights determined by the Board of Directors of BEE, which grant the right to subscribe newly issued Beefree shares, and, therefore, the plan could have dilutive effects on Growens as the majority shareholder of Beefree. BEE is expected to approve a capital increase through the issuance of up to 900,000 ordinary shares, with a nominal value of USD 0.01 each.
Under the LTI Plan it is provided that, upon the occurrence of a material transaction, meaning, for the purposes of the Plan, either (i) the sale to an unrelated third party (a) of an interest in the capital of BEE such that Growens ceases, directly or indirectly, to have control or (b) of the assets of Beefree or (ii) the listing of Beefree's shares on a regulated market or a multilateral trading facility in the European Union, or any other stock market, whether physical, electronic or OTC, in the United States or Canada, regardless of the country of incorporation and inclusion in the list of foreign markets recognised by Consob pursuant to Art. 70, paragraphs 1 and 2, Legislative Decree no. 58/1998, as a result of which Growens ceases to hold, directly or indirectly, the control of Beefree, the Board of Directors of Beefree (or a specially constituted committee) may, at its sole discretion, establish whether to provide for an acceleration of the plan and accordingly impose the exercise of the options and the consequent allocation of Beefree shares or provide that the beneficiaries be paid a cash amount determined in accordance with the same plan. In the event that a relevant transaction is carried out, it is envisaged that (i) in the event that the relevant transaction consists in the sale of shareholdings, the beneficiary is granted a right to co-sell the shares allocated to them as a result of the exercise of the option rights (and that the majority shareholder is granted a related drag-along right) as well as (ii) in the event that the relevant transaction consists in the sale of assets, (a) Beefree grants the beneficiaries a put option – at fair market value – on the shares received under the plan and (b) the beneficiaries grant Beefree a call option – at fair market value – on the shares received under the plan.

The LTI plan was approved by Growens' Ordinary Shareholders' Meeting on 18 April 2024 and has a maximum duration until 17 April 2034. In the financial year 2024, 639,757 preemptive rights to Beefree ordinary shares were granted and distributed among 34 beneficiaries, namely directors and employees of Beefree (10 beneficiaries) and Growens (24 beneficiaries), ten of whom are operationally and organisationally directly related to Beefree. Personnel costs allocated in accordance with IFRS 2, as a balancing entry to the specific equity reserve, amounted to Euro 193 thousand for Growens and Euro 129 thousand for Beefree for the year under review.

# Shareholders’ equity of non-controlling interests

The non-controlling interest in equity relates to shares held by Massimo Arrigoni, Chief Executive Officer of the subsidiary Bee Content Design, who holds 162,500 shares for 3.1% of the American subsidiary’s capital.

## Non-current liabilities

### Amounts due to banks and other lenders - non-current portion (10)

| | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Amounts due to banks and other lenders - non-current portion | 1,034,118 | 2,074,235 | (1,040,116) |

The item non-current “Amounts due to banks and other lenders” consists of payables to the banking system exclusively relating to the parent company. It should be noted that the Group’s residual debt is represented by unsecured loans characterised by extremely favourable fixed or subsidised interest rates.

### Long-term Right of Use liability (11)

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Long-term Right of Use liability | 880,369 | 919,315 | (38,945) |

The financial liability shown above is calculated in application of IFRS 16 and corresponds to the present value of the future instalments of rent, hire and lease contracts in force at the date of recognition, with expiry beyond 12 months. The lower value compared to 31/12/2023 is attributable to the early termination in August 2024 of the lease contract referring to the Carpi offices of the subsidiary Agile Telecom.

## Staff funds (12)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 1,300,534 | 1,097,245 | 203,289 |

The change is as follows:

| Description | 31/12/2023 | Increases | Decreases | Actuarial Gains/Losses | 31/12/2024 |
|---|---|---|---|---|---|
| Staff provisions (TFR) | 1,097,245 | 223,155 | (30,150) | 10,284 | 1,300,534 |

The increases relate to allocations for the year to the provision for employee severance indemnities, net of utilisations due to resignations during the period, in addition to the changes recognised in accordance with accounting standard IAS 19 mentioned in the following paragraphs.

## Demographic hypotheses

As regards the demographic hypotheses, the ISTAT 2022 mortality tables were used, as well as INPS disability/invalidity tables.
As regards the probability of leaving work for reasons other than death, the turnover values noted in the Companies assessed over a time frame of observation deemed to be representative, were used; more specifically, annual frequencies of 10% were considered.

## Economic-financial hypotheses

These regard the theoretical lines of remuneration, the technical interest rate, the inflation rate and the value adjustment rates of salaries and TFR.
The technical assessments were carried out on the basis of the hypotheses described below:

| Description | 31/12/2024 |
|---|---|
| Annual technical discounting rate | 3.38% |
| Annual inflation rate | 2.00% |
| Annual TFR increase rate | 3.00% |
| Annual salary increase rate | 2.50% |

The annual discounting rate used to determine the present value of the obligation has been determined in accordance with paragraph 83 of IAS 19, from the index Iboxx Corporate AA with duration 10+ as at the valuation date. For this purpose, the yield with duration comparable to the duration of the workers' collective contract evaluated was chosen.

# Current liabilities

## Trade and other payables (13)

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Trade payables | 11,003,447 | 12,730,699 | (1,727,253) |
| **Total** | 11,003,447 | **12,730,699** | (1,727,253) |

“Trade payables” are recorded net of trade discounts. The preponderant part of the decrease in this item is attributable to the dynamics of Growens, which, after the divestiture of the MailUp Business Unit and the other Business Units sold, saw a significant reduction in the volume of purchases from suppliers connected to the centralisation of various staff functions, including some of the main technological services made available to the Group, such as cloud storage services. Below is a breakdown of trade payables according to geographic area:

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Italy | 9,542,807 | 9,573,858 | (31,051) |
| EU | 564,384 | 277,318 | 287,066 |
| Non-EU | 896,256 | 2,879,523 | (1,983,267) |
| **Total** | **11,003,447** | **12,730,699** | **(1,727,253)** |

## Amounts due to banks and other lenders - current portion (14)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 2,730,904 | 1,198,294 | 1,532,610 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Amounts due to banks - short-term | 1,619,013 | 112,778 | 1,506,235 |
| Short-term portion of loans | 1,111,891 | 1,085,516 | 26,375 |
| **Total** | **2,730,904** | **1,198,294** | **1,532,610** |

The item “Short-term portion of loans” is determined by the residual portions expiring within the year of the unsecured loans taken out by the parent company with Credito Emiliano and Banca BPER. The item “Amounts due to banks - short-term” consists of Euro 1.5 million for advance payments on invoices of the subsidiary Agile Telecom to Crédit Agricole. This financing serves the flexible management of the Italian subsidiary’s substantial financial efforts at the end of the month and is normally closed, as in this case, in the first few days of the following month. The remaining item relates to bank debt to electronic payment circuits for payments made by credit card.

## Short-term Right of Use liability (15)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 446,936 | 354,384 | 92,553 |

The financial liability shown above is calculated in application of IFRS 16 and corresponds to the present value of the future instalments of rent, hire and lease contracts in force at the date of recognition, with expiry within 12 months.

## Other current liabilities (16)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 6,373,117 | 6,466,212 | (93,095) |

Below is the breakdown of Other current liabilities:

| Description | 31/12/2024 |
|---|---|
| Security deposits | 14,106 |
| Tax payables | 244,722 |
| Amounts due to social security institutions | 395,351 |
| Amounts due to Directors for remuneration | 76,221 |
| Amounts due to employees for salaries, holidays, leave and additional months' salaries | 962,333 |
| Payables for shared Bonus | 1,551,815 |
| Accrued liabilities and deferred income | 3,128,569 |
| **Total** | **6,373,117** |

Tax payables mainly refer to withholdings applied to income from employment and autonomous work to be paid during the following period, as debt for direct taxes allocated. Payables to social security institutions relate to social security charges of various kinds to be paid in the following period with reference to the last month's payroll, as well as Amounts due to employees relate to the punctual balance of salaries, holidays and leave, thirteenth and fourteenth month's salary already accrued but not yet paid to employees. Payables for shared Bonus are determined by the provision for employees' variable bonuses that will eventually be paid in the following year if the performance variable targets defined in the relevant plan are achieved. Deferred income arises from the application of the accrual principle to recurring advance fees, typically annual or monthly, paid by clients of SaaS services provided by the Group, attributable to Beefree. Deferred income is partly attributable to the SMS channel, in the event that the sale is brought forward with respect to actual use and sending by the customer.

# Income Statement

## Revenues (17)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 74,460,302 | 75,060,458 | (600,156) |

## Revenues by product type

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Revenues SaaS | 12,585,243 | 10,237,069 | 2,348,174 |
| Revenues CPaaS | 60,010,417 | 62,945,049 | (2,934,632) |
| Other revenues | 1,864,641 | 1,878,339 | (13,698) |
| **Total** | **74,460,302** | **75,060,458** | **(600,156)** |

The reduction in annual consolidated revenues, compared to the same figure for the previous financial year, is attributable to the decrease in CPaaS revenues attributable to Agile Telecom also as a result of the management's decision to favour customers with higher margins, possibly to the detriment of sales volumes. Much of this decrease was offset, at a consolidated level, by the increase in SaaS revenues of the subsidiary Beefree, which confirms the historical trend of revenue growth in contrast with the dynamics of the reference market.

The Other income component remains in line with the comparative value. The main items include allocations related to grants accrued on public tenders, specifically the provision for new skills for Euro 427 thousand and R&D credits accrued for Euro 183 thousand, one-off contingent assets related to contractual agreements for the sale of the ESP business line to third parties for Euro 291 thousand, reversal of costs always referred to the divestments of TeamSystem and Squeezely in 2023, revenues related to the Video-surveillance business line and rents receivable from third parties for subleased offices and related ancillary expenses, as well as other minor contingencies.

## COGS (Cost of goods sold) (18)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 56,760,013 | 60,244,752 | (3,484,739) |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Purchases Cogs | 53,213,352 | 56,595,188 | (3,381,836) |
| Services Cogs | 2,529,308 | 3,353,934 | (824,627) |
| Cost of rents and leases Cogs | 2,323 | 4,649 | (2,327) |
| Personnel costs Cogs | 986,596 | 1,897,265 | (910,669) |
| Sundry operating expenses Cogs | 28,434 | 70,438 | (42,004) |
| **Discontinued Operations** | **0** | **(1,676,722)** | **1,676,722** |
| **Total** | **56,760,013** | **60,244,752** | **(3,484,739)** |

COGS costs, strongly influenced by Agile Telecom's performance, were initially affected by unfavourable dynamics in the wholesale SMS market in Q1 2024. Conversely, throughout the remainder of the year, percentage margins not only returned to the superb levels of the prior year but, in some months, even exceeded them, a result of the corrective strategies adopted by the management of Agile Telecom. This led to substantial savings, further enhanced by the valuable contribution of Beefree.

## Sales & Marketing costs (19)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 5,763,560 | 4,414,462 | 1,349,098 |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Purchases S&M | 23,211 | 32,939 | (9,728) |
| Services S&M | 1,039,471 | 1,739,835 | (700,364) |
| Cost of rents and leases S&M | 10,690 | 31,843 | (21,153) |
| Personnel costs S&M | 4,690,187 | 5,037,102 | (346,914) |
| **Discontinued Operations** | **0** | **(2,427,257)** | **2,427,257** |
| **Total** | **5,763,560** | **4,414,462** | **1,349,098** |

This includes the costs of departments that deal with commercial and marketing activities on behalf of Group companies. The increase is mainly attributable to the higher costs of the

Beefree BU, which is progressively strengthening its commercial structure to support the ambitious growth plan targets for the next three years.

## Research & Development costs (20)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 3,035,032 | 1,941,566 | 1,093,467 |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Purchases R&D | 1,364 | 8,564 | (7,200) |
| Services R&D | 552,156 | 718,719 | (166,564) |
| Cost of rents and leases R&D | 4,805 | 5,303 | (497) |
| R&D costs | 6,038,305 | 6,051,291 | (12,986) |
| Capitalised personnel cost | (3,561,598) | (3,561,970) | 373 |
| **Discontinued Operations** | **0** | **(1,280,341)** | **1,280,341** |
| **Total** | **3,035,032** | **1,941,566** | **1,093,467** |

These costs relate to departments that deal with research and development activities related to all Group subsidiaries. For purposes of greater clarity of exposure, the amount of capitalised personnel costs is recorded separately, then showing the resulting net cost in the Income Statement scheme adopted. The capitalisation is carried out in relation to the future usefulness of the software development projects in particular of the Beefree editor, and the Agile Telecom SMS sending infrastructure. The research and development activity for the year subject of analysis is described in detail in the specific section of the Report on Operations. The increase in the overall cost attributable to Research and Development reflects the Group’s strategic desire to enhance the technological and innovative content of its digital tools, particularly for Beefree, to support the particularly challenging growth planned for the coming years, and to make Agile Telecom an increasingly leading player in the bulk SMS market.

## General costs (21)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 9,012,441 | 9,018,389 | (5,948) |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| General purchases | 53,126 | 60,408 | (7,282) |
| General services | 5,615,031 | 8,147,114 | (2,532,083) |
| Cost of rents and leases – General | 202,498 | 322,186 | (119,687) |
| Personnel costs – General | 2,954,327 | 3,564,116 | (609,789) |
| Sundry operating expenses – General | 187,459 | 232,539 | (45,079) |
| **Discontinued Operations** | **0** | **(3,307,973)** | **3,307,973** |
| **Total** | **9,012,441** | **9,018,389** | **(5,948)** |

General costs express overhead expenses, mainly related to the offices instrumental to the activity performed (utilities, maintenance, related purchases), administrative expenses in general, including costs of accounting, legal, back-office commercial clerical staff, human resources and management control, the remuneration of the Board of Directors, the Board of Auditors and the Independent Auditors, legal, tax, accounting, labour and other consultancy in general, in addition to costs related to the status of listed company, such as for investor relations and costs of M&A activity. The divestiture of the ESP business units in the course of 2023 resulted in a progressive containment of the overhead costs incurred by Growens, in its role as a holding company, for the management of the services provided for the subsidiaries.

## Amortisation, depreciation and impairment (22)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 3,938,751 | 3,129,362 | 809,389 |

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| General amortization, depreciation and provisions | 68,922 | 113,437 | (44,515) |
| Amortisation Right of Use | 522,426 | 616,856 | (94,431) |
| Amortisation R&D | 3,282,440 | 3,271,861 | 10,579 |
| Impairment and provisions | 64,964 | 53,700 | 11,264 |
| **Discontinued Operations** | **0** | **(926,493)** | **926,493** |
| **Total** | **3,938,751** | **3,129,362** | **809,389** |

Right of Use amortisation was calculated for the first time in 2019 following the application of IFRS 16. In 2024, the most significant depreciation and amortisation refer to research and development activities, which represent the main strategic investment for the Group companies, in particular for the Beefree Editor.

## FY income tax (23)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 173,091 | (362,726) | 535,816 |

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Current tax | (30,698) | (375,664) | 344,966 |
| Deferred taxes | 203,789 | 12,938 | 190,850 |
| **Total** | **173,091** | **(362,726)** | **535,816** |

The taxes for the period have been allocated on the basis of the application of the tax regulations in force in the specific nationality country of the companies belonging to the Growens Group. The related taxes are made up of current tax, deferred tax and prepaid tax, relating to positive and negative items of income respectively subject to imposition or deductions in periods other than those during which they are booked. Deferred tax assets/liabilities related to consolidation entries and the application of IAS/IFRS adopted by the Group in the consolidation process were also calculated. Current taxes benefit, for Agile Telecom, from the positive effect of the application of the Patent Box for the financial year 2024, estimated on the basis of conservative assumptions pending subsequent definitive calculations.

Earnings (loss) per share (24)

Basic earnings/loss per share are calculated by dividing the net period earnings/loss attributable to ordinary company shareholders by the weighted average number of ordinary shares, excluding treasury shares, in issue during 2024.

Below is the result for the period and information on shares used to calculate the basic earnings per share.

| Description | 31/12/2024 |
|---|---|
| **Net earnings (loss) attributable to shareholders** | (2,535,045) |
| Opening number of ordinary shares | 15,393,343 |
| Opening portfolio treasury shares | 2,709,641 |
| Closing number of ordinary shares | 15,393,343 |
| Closing portfolio treasury shares | 2,709,641 |
| Weighted number of shares in issue | 12,683,702 |
| **Basic earnings (loss) per share** | (0.1999) |

Diluted earnings per share are calculated as follows:

| Description | 31/12/2024 |
|---|---|
| **Net earnings (loss) attributable to shareholders** | (2,535,045) |
| Opening number of ordinary shares | 15,393,343 |
| Opening portfolio treasury shares | 2,709,641 |
| Opening shares potentially assignable | 0 |
| Closing number of ordinary shares | 15,393,343 |
| Closing portfolio treasury shares | 2,709,641 |
| Closing shares potentially assignable | |
| Weighted number of shares in issue | 12,683,7021 |
| **Basic earnings (loss) per share** | (0.1999) |

# Workforce

As at 31 December 2024, the Group had 151 employees, of whom 4 managers, 17 middle managers, 130 white-collar workers. The number of employees in terms of ULA (Annual Work Units) amounted to 150.79 at Group level.

| Level of classification | Total number | % | Italy | United States of America |
|---|---|---|---|---|
| White-collar workers | 130 | 86.1% | 97 | 33 |
| Middle managers | 17 | 11.3% | 17 | |
| Managers | 4 | 2.6% | 4 | |
| **Total** | **151** | **100.0%** | **118** | **33** |

## Related party transactions

Transactions implemented by the Group with related parties, identified according to the criteria defined by IAS 2 - Related party disclosure - are carried out at arm's length. For further information on the case, including the table that presents the details of the changes that occurred, please refer to the specific paragraph of the Report on Operations part of these annual financial statements.

## Fees to Directors and Auditors

Directors' fees, including the related contribution and the allocation of variable bonuses, is equal to Euro 1,973,796 while the compensation to the Boards of Auditors, where present, is equal to Euro 48,209.

## Fee to the independent auditing firm

Please note that - in accordance with letter 16-bis of Article 2427 of the Italian Civil Code - the total amount of fees due to the independent auditing firm included in the Interim Report as at 31/12/2024 at consolidated level totalled Euro 47,580.

## Disclosure regarding coordination and management activities

In accordance with Article 2497-bis of the Italian Civil Code, it is specified that the Group is not subject to management and coordination activities.

## Events after the end of the period

Please refer to the specific section of the Report on Operations, which is an integral part of this Report for further information on the case.

These Consolidated Financial Statements, comprising the Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Explanatory Notes, provides a true and fair view of the equity and financial situation as well as the economic result for the period and is consistent with the underlying accounting records.

Thank you for the trust placed in us.

Milan, 13 March 2025

The Chairman of the Board of Directors
Matteo Monfredini

# 7. Independent Auditors' Report on the Consolidated Financial Statements as at 31/12/2024

GROWENS S.P.A.

Independent auditors' report in accordance with article 14
of legislative decree n. 39 of January 27, 2010

*Consolidated financial statements as of December 31, 2024*

*This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*

VDL/AMR/irm - RC037242024BD1224

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20131 Milano

# Independent auditors' report

in accordance with article 14 of legislative decree n. 39 of January 27, 2010

To the Shareholders of
Growens S.p.A.

## Report on the consolidated financial statements

### Opinion

We have audited the accompanying consolidated financial statements of Growens Group (the "Group"), which comprise the consolidated balance sheet as of December 31, 2024, the consolidated income statement and statement of comprehensive income, the consolidated statement of changes in shareholders equity, the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31, 2024, of the result of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of this report. We are independent of the Group in accordance with ethical requirements and standards applicable in Italy that are relevant to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of directors and those charged with governance for the consolidated financial statements

The directors of Growens S.p.A. are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the limits of the law, for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the holding company Growens S.p.A. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

BDO

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO

## Report on other legal and regulatory requirements

**Opinion and statement pursuant to article 14, paragraph 2, letter e), e-bis) ed e-ter) of Legislative Decree n. 39/10**

The directors of Growens S.p.A. are responsible for the preparation of the report on operations of Growens Group as of December 31, 2024, including its consistency with the consolidated financial statements and its compliance with the applicable law.

We have performed the procedures specified in Auditing Standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance of the report on operations with the applicable law;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Growens Group as of December 31, 2024.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to article 14, paragraph. 2, letter e-ter), of Legislative Decree n. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 31, 2025

BDO Italia S.p.A.
*Signed in the original by*
Vito De Laurentis
Partner

*This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*

# 8. Growens S.p.A. Annual Financial statements as at 31/12/2024

## GROWENS BALANCE SHEET AS AT 31/12/2024

| amounts in Euro | Notes | 31/12/2024 | 31/12/2023 | Change | Cha. % |
|---|---|---|---|---|---|
| Tangible assets | | 177,377 | 203,852 | (26,474) | (13.0%) |
| Right of Use | 1 | 1,178,339 | 1,076,772 | 101,567 | 9.4% |
| Intangible assets | 2 | 433,115 | 784,930 | (351,815) | (44.8%) |
| Goodwill | 3 | 22,997,167 | 10,136,349 | 12,860,817 | 126.9% |
| Equity investments in associates and joint ventures | 4 | 429,054 | 350,674 | 78,379 | 22.4% |
| Other non-current assets | 5 | 6,201,004 | 5,983,797 | 217,207 | 3.6% |
| Deferred tax assets | 6 | 117,575 | 373,233 | (255,658) | (68.5%) |
| **Total non-current assets** | | **31,533,631** | **18,909,607** | **12,624,024** | **66.8%** |
| Trade and other receivables | 7 | 196,881 | 536,352 | (339,471) | (63.3%) |
| Receivables from subsidiaries | 8 | 1,476,531 | 7,146,841 | (5,670,310) | (79.3%) |
| Other current assets | 9 | 18,518,400 | 8,672,180 | 9,846,220 | 113.5% |
| Cash and cash equivalents | 10 | 492,770 | 35,635,339 | (35,142,569) | (98.6%) |
| **Total current assets** | | **20,684,582** | **51,990,712** | **(31,306,130)** | **(60.2%)** |
| **Total Assets** | | **52,218,213** | **70,900,319** | **(18,682,106)** | **(26.3%)** |
| Share capital | 11 | 384,834 | 384,834 | 0 | 0.0% |
| Reserves | 11 | 38,873,329 | 2,659,984 | 36,213,345 | 1,361.4% |
| Period result | | 2,161,469 | 56,069,522 | (53,908,054) | (96.1%) |
| **Total shareholders' equity** | | **41,419,631** | **59,114,339** | **(17,694,708)** | **(29.9%)** |
| Amounts due to banks and other lenders | 12 | 962,343 | 2,074,235 | (1,111,891) | (53.6%) |
| Long-term Right of Use liability | 13 | 796,166 | 786,526 | 9,640 | 1.2% |
| Provisions for risks and charges | 14 | 233,333 | 93,333 | 140,000 | 150.0% |
| Staff funds | 15 | 951,496 | 789,517 | 161,979 | 20.5% |
| **Total non-current liabilities** | | **2,943,338** | **3,743,610** | **(800,272)** | **(21.4%)** |
| Trade and other payables | 16 | 999,735 | 2,758,308 | 1,758,573 | (63.8%) |
| Amounts due to subsidiaries | 17 | 3,018,472 | 546,381 | 2,472,091 | 452.4% |
| Amounts due to banks and other lenders | 18 | 1,148,688 | 1,156,850 | (8,162) | (0.7%) |
| Short-term right of use liability | 19 | 411,743 | 301,399 | 110,344 | 36.6% |
| Other current liabilities | 20 | 2,276,605 | 3,279,432 | (1,002,827) | (30.6%) |
| **Total current liabilities** | | **7,855,243** | **8,042,369** | **(187,126)** | **(2.3%)** |
| **Total Liabilities** | | **52,218,213** | **70,900,319** | **(18,682,106)** | **(26.3%)** |

## GROWENS INCOME STATEMENT AS AT 31/12/2024

| amounts in Euro | Notes | 31/12/2024 | % | 31/12/2023* | % | Change | Cha. % |
|---|---|---|---|---|---|---|---|
| Intercompany revenues | 21 | 12,957,194 | 88.8% | 9,054,043 | 87.8% | 3,903,151 | 43.1% |
| Other revenues | | 1,633,778 | 11.2% | 1,255,630 | 12.2% | 378,148 | 30.1% |
| **Total revenues** | | **14,590,972** | **100.0%** | **10,309,673** | **100.0%** | **4,281,299** | **41.5%** |
| COGS costs | 22 | 1,954,210 | 13.4% | 1,843,797 | 17.9% | 110,413 | 6.0% |
| **Gross profit** | | **12,636,762** | **86.6%** | **8,465,876** | **82.1%** | **4,170,886** | **49.3%** |
| S&M costs | 23 | 298,163 | 2.0% | 292,697 | 2.8% | 5,466 | 1.9% |
| **R&D costs** | **24** | **5,349,253** | **36.7%** | **3,946,497** | **38.3%** | **1,402,756** | **35.5%** |
| *Capitalized R&D costs* | | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| *R&D costs* | | 5,349,253 | 36.7% | 3,946,497 | 38.3% | 1,402,756 | 35.5% |
| General costs | 25 | 6,296,632 | 43.2% | 6,603,530 | 64.1% | (306,899) | (4.6%) |
| **Total costs** | | **11,944,047** | **81.9%** | **10,842,725** | **105.2%** | **1,101,322** | **10.2%** |
| **EBITDA** | | **692,715** | **4.7%** | **(2,376,848)** | **(23.1%)** | **3,069,563** | **129.1%** |
| General amortization, depreciation and provisions | 26 | 65,110 | 0.4% | 70,357 | 0.7% | (5,247) | (7.5%) |
| Amortisation Right of Use | 26 | 456,683 | 3.1% | 338,200 | 3.3% | 118,483 | 35.0% |
| Amortisation R&D | 26 | 575,104 | 3.9% | 548,484 | 5.3% | 26,620 | 4.9% |
| **Amortisation, depreciation and provisions** | | **1,096,897** | **7.5%** | **957,041** | **9.3%** | **139,856** | **14.6%** |
| **EBIT** | | **(404,182)** | **(2.8%)** | **(3,333,889)** | **(32.3%)** | **2,929,707** | **87.9%** |
| Financial operations | 27 | 2,912,536 | 20.0% | 2,588,705 | 25.1% | 323,831 | 12.5% |
| **EBT** | | **2,508,354** | **17.2%** | **(745,184)** | **(7.2%)** | **3,253,538** | **436.6%** |
| Income taxes | 28 | (88,449) | (0.6%) | 0 | (0.0%) | (88,449) | |
| Deferred tax assets (liabilities) | 28 | (258,436) | (1.8%) | 9,109 | 0.1% | (267,545) | (2937.2%) |
| **Net result from Continuing Operations** | | **2,161,469** | **14.8%** | **(736,075)** | **(7.1%)** | **2,897,544** | **393.6%** |
| **Net result from Discontinued Operations** | | **0** | **0.0%** | **56,805,598** | **551.0%** | **(56,805,598)** | **(100.0%)** |
| **Period profit/(loss)** | | **2,161,469** | **14.8%** | **56,069,522** | **543.9%** | **(53,908,053)** | **(96.1%)** |
| ***Group profit (loss)*** | | 2,161,469 | 15% | 56,069,522 | 276.4% | (53,908,053) | (96.1%) |
| ***Minority interest profit (loss)*** | | | | | | | |
| Actuarial profit/(loss) net of the tax effect | | (8,798) | (0%) | (70,276) | (0.3%) | 61,478 | 87% |
| Profit/(loss) deriving from the conversion of the financial statements of consolidated companies carried in currencies other than the Euro | | | | | | | |
| **Comprehensive year profit/(loss)** | | **2,152,671** | **15%** | **55,999,247** | **276.1%** | **(53,846,576)** | **(96.2%)** |

| | | | |
|---|---|---|---|
| Result: | | | |
| Per share | 29 | 0.1704 | (0.0525)* |
| Diluted result | 29 | 0.1704 | (0.0509)* |

*On 13 July 2023, following the closing of the sale to TeamSystem S.p.A., the sale of the Growens Email Service Provider business unit relating to the MailUp business unit and of the shares held in Contactlab S.p.A., Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. to TeamSystem S.p.A. was finalised for a total consideration of Euro 76.6 million as the final consideration net of the price adjustments subsequently defined by the parties pursuant to the signed sale and purchase agreement. In the single comparison column of the Growens separate income statement as at 31/12/2023, the ESP business, represented by the MailUp Business Unit, was consequently treated as Discontinued Operations in accordance with the dictates of IFRS 5; therefore: in the comparative income statement for the 2023 FY, revenues and income and expenses related to net assets constituting Discontinued Operations were reclassified to Net Income from Discontinued Operations. The application of the IFRS 5 standard to the comparison column as at 31/12/2023, in the terms set out above, was also carried out with regard to all tables that follow in this document and that refer to income statement values.

| *Figures in Euro* | 31/12/23 | Allocation of result | Distribution of Dividends | Increase of Reserves | Stock option plan | FY result | 31/12/24 |
|---|---|---|---|---|---|---|---|
| Share capital | 384,834 | | | | | | 384,834 |
| Share premium reserve | 13,743,348 | | | | | | 13,743,348 |
| Legal reserve | 80,000 | | | | | | 80,000 |
| Extraordinary reserve | 8,543,943 | 36,029,273 | | | | | 44,573,216 |
| Reserve for portfolio treasury shares | (18,280,938) | | | | | | (18,280,938) |
| Reserve for exchange rate gains | 74,625 | | | | | | 74,625 |
| Profit/(loss) carried forward | (809,817) | | | | | | (809,817) |
| Stock option reserve | - | | | | 192,870 | | 192,870 |
| OCI reserve | (210,795) | | | (8,798) | | | (219,593) |
| FTA reserve | (613,449) | | | | | | (613,449) |
| Merger surplus reserve | 133,068 | | | | | | 133,068 |
| FY result | 56,069,522 | (36,029,273) | (20,040,249) | | | 2,161,469 | 2,161,469 |
| **Shareholders' equity** | **59,114,339** | **-** | **(20,040,249)** | **-** | **192,870** | **2,161,469** | **41,419,631** |

| *Figures in Euro* | 31/12/22 | Allocation of result | Capital increase | Change to share premium reserve | Purchase of treasury shares | treasury shares | ehensive IS result | al Stock option plan | FY result | 31/12/23 |
|---|---|---|---|---|---|---|---|---|---|---|
| Share capital | 384,834 | | | | | | | | | 384,834 |
| Share premium reserve | 13,743,348 | | | | | | | | | 13,743,348 |
| Legal reserve | 80,000 | | | | | | | | | 80,000 |
| Extraordinary reserve | 8,543,943 | | | | | | | | | 8,543,943 |
| Reserve for portfolio treasury shares | (277,674) | | | | (18,003,263) | | | | | (18,280,937) |
| Reserve for exchange rate gains | 74,625 | | | | | | | | | 74,625 |
| Profit/(loss) carried forward | (212,668) | (597,150) | | | | | | | | (809,817) |
| Stock option reserve | - | | | | | | | | | - |
| OCI reserve | (140,520) | | | | | | (70,275) | | | (210,795) |
| FTA reserve | (613,449) | | | | | | | | | (613,449) |
| Merger surplus reserve | 133,068 | | | | | | | | | 133,068 |
| FY result | (597,150) | | | | | | | | 56,069,522 | 56,069,522 |
| **Shareholders' equity** | **21,118,356** | **-** | **-** | **-** | **(18,003,263)** | **-** | **(70,275)** | **-** | **56,069,522** | **59,114,339** |

## GROWENS CASH FLOW STATEMENT

| amounts in Euro | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Profit (loss) for the period | 2,161,469 | 56,069,522 |
| Income taxes | 88,449 | 78,342 |
| Deferred tax assets/liabilities | 258,436 | (9,109) |
| Financial assets | (1,067,943) | (58,813,695) |
| Exchange (gains)/losses | (352,675) | 35,024 |
| (Dividends) | (1,491,918) | (2,247,271) |
| **1 Profit (loss) of the period before income tax, interest, dividends and gains/losses from disposals** | **(404,182)** | **(4,887,187)** |
| Value adjustments for non-monetary items that have no equivalent item in net working capital: | | |
| Provisions for TFR | 350,020 | 492,644 |
| Other provisions | | 107,914 |
| Amortisation and depreciation of fixed assets | 1,096,897 | 1,818,527 |
| Provisions and impairment | | |
| Other adjustments for non-monetary items | (859,084) | (1,116,807) |
| **2 Cash flow before changes in NWC** | **183,651** | **(3,584,909)** |
| Changes in net working capital | | |
| Decrease/(increase) in trade receivables | 6,009,781 | 2,645,482 |
| Increase/(decrease) in trade payables | 713,519 | (1,250,854) |
| Decrease/(increase) in accrued income and prepaid expenses | 533,646 | (282,508) |
| Increase/(decrease) in accrued liabilities and deferred income | (61,141) | (7,186,175) |
| Decrease/(increase) in tax receivables | (2,756,259) | (463,884) |
| Increase/(decrease) in tax payables | 112,919 | (1,887,256) |
| Decrease/(increase) in other receivables | (423,427) | 124,958 |
| Increase/(decrease) in other payables | (1,054,605) | 81,479 |
| Other changes in net working capital | | |
| **3 Cash flow after changes in NWC** | **3,258,084** | **(11,803,666)** |
| Other adjustments | | |
| Interest collected/(paid) | 1,756,744 | 70,350 |
| (Income tax paid) | (79,946) | |
| (Capital gains)/capital losses deriving from the disposal of assets | | |
| Dividends collected | 1,491,918 | 2,247,271 |
| (Use of provisions) | (218,191) | (90,796) |
| **4 Cash flow after other adjustments** | **6,208,609** | **(9,576,842)** |
| **A Cash flow from operations** | **6,208,609** | **(9,576,842)** |
| **Tangible fixed assets** | **(49,570)** | **664,143** |
| (Investments) | (49,570) | 664,143 |
| | | |
| **Intangible fixed assets** | **(212,355)** | **1,725,473** |
| (Investments) | (212,355) | 1,725,473 |

| | | |
|---|---|---|
| **Financial fixed assets** | **(12,961,997)** | **12,982,953** |
| (Investments) | (12,961,997) | 12,982,953 |
| | | |
| **Short-term financial assets** | **(6,500,000)** | **(9,537,561)** |
| (Investments) | (6,500,000) | (9,537,561) |
| | | |
| **Acquisition or disposal of subsidiaries** | | **58,060,395** |
| **B Cash flow from investments** | **(19,723,922)** | **63,895,403** |
| **Minority interest funds** | **(1,587,007)** | **(2,271,217)** |
| Increase (decrease) in short-term payables to banks | (34,538) | (143,506) |
| Stipulation of loans | | 379,200 |
| Loan repayments | (1,552,470) | (2,506,911) |
| **Own funds** | **(20,040,249)** | **(18,003,263)** |
| Capital increase by payment | | |
| Sale (purchase) of treasury shares | | (18,003,263) |
| Dividends paid | (20,040,249) | |
| Change to share premium reserve | | |
| **C Cash flow from loans** | **(21,627,256)** | **(20,274,480)** |
| **Increase (decrease) in liquid funds (A ± B ± C)** | **(35,142,569)** | **34,044,081** |
| Initial cash and cash equivalents | 35,635,339 | 1,591,258 |
| *Cash and cash equivalents* | | 15,635,279 |
| *Cash equivalents* | | 20,000,060 |
| **Final cash and cash equivalents** | **492,770** | **35,635,339** |
| **Change in cash and cash equivalents** | **(35,142,569)** | **34,044,081** |

# 9. Notes to the Annual Financial Statements as at 31/12/2024

## General information

### Business

Growens S.p.A. (hereinafter referred to as "Growens" or "Company") is a well-established company in the Cloud Marketing Technologies or MarTech sector, and operates as a parent company and holding company, providing staff services to its subsidiaries and dealing with strategic policy-making and M&A (merger and acquisition) activities. Growens ordinary shares have been admitted to trading on the Euronext Growth Milan (formerly AIM Italia) multimedia trading system operated by Borsa Italiana since July 2014. For further details and information on the Company's business, please refer to the Report on Operations to the separate and consolidated financial statements at 31/12/2024 that forms an integral part of these financial statements.

## Accounting standards

### Criteria for the preparation of the annual financial statements

In accordance with Article 4 of Legislative Decree no. 38 of 28 February 2005, which regulates the exercise of options envisaged by Article 5 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 relative to the application of international accounting standards, the Company has exercised the right to voluntarily adopt the international financial reporting standards (hereinafter also referred to as the "IFRSs"), issued by the International Accounting Standards Board ("IASB") and approved by the European Commission, for the preparation of its financial statements starting from the year ended 31 December 2016. The term IFRS is used to refer to the new International Financial Reporting Standards, the revised International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC"). The date of transition to the IFRS, as defined by IFRS 1 "First time adoption of IFRS" was 01/01/2015, and these 2024 financial statements present a comparative year (FY 2023). In this regard, please note that the IFRS accounting standards applied in drafting the financial statements closed as at 31/12/2024 are those in force on that date and are compliant with those adopted for preparing the financial statements as at 31/12/2023, with the exception of as outlined in the paragraph "Amendments to accounting standards". For the purpose of preparing the accounting schedules, prevalence is given to the economic substance of transactions rather than to their legal form. With reference to IAS 1, paragraphs 25 and 26, the Directors confirm that, in view of the economic prospects, the capitalisation and financial position of the

Company, there is no uncertainty as the fact that the Company can operate as a going concern and that, consequently, in preparing the financial statements as at 31/12/2024, it adopted accounting standards precisely under these terms. The financial statements for the year ended on 31/12/2024 will be subject to statutory auditing by BDO Italia S.p.A., under the appointment made upon it until approval of the financial statements as at 31/12/2025.

## Tables of the Financial Statements

The tables of the financial statements used have the following characteristics:

a) in the Statement of Financial Position, the assets and liabilities are stated in increasing order of liquidity; an asset/liability is classified as current when it meets one of the following criteria:

- it is expected to be realised/extinguished or expected to be sold or used in the normal operative cycle;
- it is mainly held for trading;
- it is expected to be realised/extinguished within 12 months of year end.

If none of these three conditions is met, the assets/liabilities are classified as not current;

b) in the Income Statement, the positive and negative items of income are stated according to destination. This choice was dictated by the greater ease of reading and comparability with respect to the financial statements of the other players in the same sector. Costs are divided into four macro areas: Cost of Goods Sold (COGS), or costs of providing the Group's core services, and costs relating to the main operating areas, Sales and Marketing (S&M), Research and Development (R&D), in addition to General Costs (G&A) for administrative and structure expenses. Depreciation and amortization is also related to the different business areas. The section analysing the contents of the Income Statement items illustrates the criteria followed in the economic reclassification adopted. Also for the purposes mentioned above, reference was made to EBITDA (Earnings Before Interest Taxes Depreciation Amortisation), an economic value not defined in the IAS/IFRS accounting standards, equal to the operating result net of tangible and intangible depreciation and amortisation;

c) the Other Comprehensive Income highlights all changes to Other comprehensive profits/(losses) occurring during the period, generated by transactions other than those implemented with shareholders and in accordance with the specific IAS/IFRS accounting standards. The Company has chosen to show said changes in a separate statement with respect to the Income Statement. Changes to Other comprehensive profits/(losses) are stated net of the related tax effects, separately identifying, in accordance with IAS 1R, the components intended to be reversed on the Income Statement in subsequent years and those for which there is no provision for any reversal on the Income Statement;

d) the Statement of Changes in Equity, as required by international accounting standards, provides separate evidence of the period result and all other changes not carried on the Income Statement, but instead allocated directly to Other comprehensive profits/(losses) on the basis of specific IAS/IFRS accounting standards and transactions with Shareholders in their capacity as Shareholders;

e) the Cash Flow Statement is prepared applying the indirect method.

# Measurement criteria

## Tangible assets

These mainly consist of:
a) Plants and machinery
b) Furniture and fittings
c) Electronic office machines
d) Improvements to third-party assets

Tangible assets are booked at the cost of purchase or production, including accessory expenses and net of the related depreciation.

Routine maintenance costs are charged in full to the Income Statement. Costs for improvements, modernisation and transformations intended to increase value are carried as assets.

Depreciation starts when the assets become available for use.

Depreciation is calculated on a straight-line basis, according to the estimated useful life of the related assets, revised from time to time if necessary, applying the following percentages, which have not changed from the previous year and with application of monthly depreciation according to the month of purchase or commissioning of the asset:

- Plants and machinery:
  - Generic and specific plants: 20%
  - Anti break-in systems: 30%
- Other assets:
  - Furniture and fittings: 12%
  - Electronic office machines: 20%
  - Signs: 20%
  - Improvements to third-party assets: depreciation according to the residual term of the lease contract of the property to which said improvement interventions refer.

Assets with a unit value of less than Euro 516.46, susceptible to autonomous use, are registered in full to the Income Statement.

## Intangible assets

An intangible asset is booked only when it can be identified, it is subject to the Company's control, it is destined to generate future economic benefits and if its cost can be determined.

Intangible assets are recorded, with the consent of the Board of Statutory Auditors, initially at the historical cost of acquisition or internal production and shown net of amortisation carried out during the financial years and attributed directly to the individual items. If impairment is noted, the intangible asset is impaired accordingly, in line with the criteria set forth in the next standard "Impairment of intangible assets".

Amortisation rates are revised annually and altered if the estimated useful life differs from that estimated previously. Growens has assessed the need to align the amortization period of assets relating to software developments and related third-party software to 36 months, in accordance with the main MarTech market practices, also adopted by other Group companies and the main competitors in the sector.
The useful life is five years for trademarks and other intangible fixed assets.

Development, third-party software and trademarks are amortised according to their assumed possible use, so as to ensure that the net value at period end corresponds to their residual possible use. Amortisation starts when an asset becomes available for use and the corresponding development project completed. Research and Development activities, recorded with the consent of the Board of Statutory Auditors, include capitalised costs incurred for the implementation of strategic tools for Company and Growens Group management of proven future usefulness and with the following characteristics:

- the intention to implement the intangible asset for use or sale;
- the capacity to use or sell the intangible asset;
- the capacity to reliably value the cost attributable to the intangible asset during its development;
- the availability of technical, financial or other resources, suitable to complete the development and use or sell the intangible asset;
- the way in which the intangible asset will generate probable future economic benefits.

Other fixed assets, which were recognized with the consent of the Board of Statutory Auditors, include the external costs incurred for the strategic project to completely revise the Company's name and the Group's brand.

There are no assets under construction relating to projects that were not completed and therefore not usable as at 31/12/2024.

## Equity investments

Subsidiaries are companies in which the Company simultaneously holds the following three elements: (a) power over the company; (b) exposure, or rights, to variable returns arising from involvement with the company; (c) ability to use power to influence the amount of such variable returns. All equity investments have been recorded at purchase cost including ancillary charges upon initial recognition; subsequently, when there is evidence that an equity investment may be impaired, the recoverable amount of the equity investment has been estimated. If impairment is noted, the equity investment is written down accordingly, in line with the criteria set forth in the next paragraph “Impairment of tangible and intangible assets and equity investments”.

Companies over which another company exerts significant influence are considered as associates. Influence is assumed when in the Ordinary Shareholders’ Meeting at least one-fifth of votes can be cast or one tenth, if the company has shares listed on the stock exchange. It is specified that in the separate financial statements, investments in associates are measured at cost as per IAS 28.

## Financial assets

IFRS 9 provides for a single approach to analysing and classifying all financial assets, including those containing embedded derivatives. Financial assets are classified and measured considering both the business model within which they are held and the contractual characteristics of the cash flows from the assets. The three following categories may be identified on the basis of the characteristics of an instrument and business model within which it is held:

(i) financial assets measured at amortized cost;
(ii) financial assets measured at fair value with the effects recorded among the other components of comprehensive income (hereinafter also OCI - Other Comprehensive Income);
(iii) financial assets measured at fair value with the effects recorded in the Income Statement (FVTPL - Fair Value Through Profit and Loss).

A financial asset is measured according to the amortized cost method when both of the following conditions are met:

- the business model within which the financial asset is held consists in holding it solely for the purposes of collecting the related cash flows;
- the financial asset generates, on contractually predetermined dates, cash flows that represent exclusively the yield of the financial asset itself.

According to the amortized cost method, the initial amount is then adjusted to take account of principal repayments, any impairment losses and the amortization of the difference between the initial amount and maturity amount.

Amortization is applied on the basis of the effective internal interest rate, i.e. the rate that exactly discounts the estimated future payments to the initial amount.

Receivables and other financial assets measured at amortized cost are presented in the statement of financial position net of the related accumulated amortization.

Financial assets representative of debt instruments held within a business model that allows both the collection of contractual cash flows and capital gains on disposal (known as a “hold-to-collect-and-sell business model”) are measured at fair value through OCI.

In such cases, changes in the fair value of the instrument are taken to equity through other comprehensive income. The cumulative amount of changes in fair value taken to the equity reserve that includes other comprehensive income is reversed to profit or loss when the instrument is derecognised. Interest income calculated according to the effective interest rate, foreign exchange differences and impairment losses are taken to profit or loss.

A financial asset representative of a debt instrument not measured at amortized cost or at FVTOCI is measured at fair value through profit or loss.

The financial assets purchased by Growens during the financial year 2023 for “trading” purposes, intended to maximise the return on cash temporarily not allocated to business investments, were measured at fair value with the effects recognised in the Income Statement (FVTPL - Fair Value Through Profit and Loss).

### Other current and non-current assets, trade receivables and other receivables

Trade receivables, other current and non-current assets and other receivables are intended as financial items, mainly relative to receivables due from customers. They are not derivative instruments and are not listed on an active market, from which fixed or determinable payments are expected. Trade receivables and other receivables are classified on the Balance Sheet of current assets, apart from those with a contractual due date that exceeds twelve months after the reporting date, which are classified as non-current assets.
These assets are valued at the time of first booking at fair value and, thereafter, at amortised cost, using the effective interest rate, less impairment. An exception is made for receivables for which the short duration makes discounting insignificant.
Impairment of receivables is booked on the Income Statement when objective evidence is seen that the Company will be unable to collect the receivable due from the counterparty under the terms of the contract.
The value of the receivables is stated net of the related impairment provision.

### Deferred tax assets

Deferred tax assets are booked at nominal value. They are booked when their collection is deemed to be “likely”. See also the comment given under “Income tax”.

## Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques and bank current accounts and deposits that can be reimbursed on demand, which are readily convertible into cash and subject to an insignificant risk of a change in value. They are booked at nominal value.

## Treasury shares

Treasury shares are booked at purchase cost, including accessory expenses of the sale and are stated reducing shareholders' equity. The financial effects deriving from any subsequent sales are recognised in shareholders' equity. For details on any purchases of treasury shares carried out in 2024 and the related authorization resolutions, please refer to the specific explanatory paragraph in the Report on Operations to the separate and consolidated financial statements as at 31/12/2024, an integral part of these financial statements.

## Assets held for sale

According to the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", non-current assets whose book value will mainly be recovered through a sale rather than continuous use, if the requirements are met as envisaged by the specific standard, are classified as held for sale and valued at the lesser of book value and fair value, net of the costs of sale. As from the date on which said assets are classified as non-current assets held for sale, the related amortization is suspended. Liabilities connected with said assets are classified under "Liabilities relating to assets held for sale", whilst the economic result relating to said assets is recognised under "Other income".

## Non-current financial liabilities

Financial liabilities are initially recorded at cost, corresponding to the fair value of the price received net of the transaction costs directly attributable to the loan. After initial booking, loans are measured using the amortised cost criterion and the effective interest rate method. The amortised cost is calculated considering the issue costs and any discount or premium envisaged at the time of settlement.

## Employee benefits

Staff provisions disbursed at or following termination of the contract of employment mainly consist of Severance Indemnity ("TFR"), which is regulated by Italian legislation under Article 2120 of the Italian Civil Code. The TFR is a defined benefit plan, that is a formalised programme of post-employment benefits that constitutes a future obligation and for which the Company assumes the related actuarial and investment risks. As required by IAS 19R, Growens uses the Projected Unit Credit Method to determine the current value of the obligations and the related social security cost of the current provisions; this method of calculation requires the use of objective actuarial hypotheses that are compatible with demographic (mortality rate, staff turnover rate) and financial (discounting rate, future increases in salary levels) variables. Actuarial gains and losses are immediately recognised in full on the statement of comprehensive income in compliance with IAS 19R. Following the social security reform, as from 1 January 2007, the TFR accrued following the coming into force of said reform, is allocated to pension funds or treasury funds established by INPS for companies with more than 50 employees or, for companies with fewer than 50 employees, may remain in the company as for previous years, or alternatively allocated to pension funds. On this, the allocation of the accruing portions of TFR in pension funds or INPS means that a portion of the TFR accruing is classified as a defined contributions plan, insofar as the company obligation consists exclusively of paying the contributions to the pension provision or INPS. The liability relative to previous TFR continues to constitute a defined benefits plan, to be assessed according to actuarial hypotheses. From an accounting viewpoint, through the actuarial valuation, the interest cost that constitutes the figurative expense that the company would incur in asking the market for a loan in the amount of the TFR is carried under “Financial income/expense” on the Income Statement, and the current service cost, which defines the amount of rights accrued during the year by the employees who have not transferred the portions accrued as from 01/01/2007 to complementary welfare, under “payroll costs”. Actuarial gains and losses that reflect the effects deriving from changes to the actuarial hypotheses used are booked directly as shareholders’ equity, without being carried on the Income Statement and are stated on the Statement of Comprehensive Income.

## Employee Benefit Incentive Plan

As of 2022, all Growens Group employees, who have been employed for at least one year, receive an annual Shared Bonus. The Bonus is awarded upon achievement of certain economic and financial targets (KPIs) by the Group and/or individual business units and is calculated as a percentage of the employees’ RAL (gross annual remuneration). The calculation percentage differs according to the work level and is spread over the months of actual work. The calculation indices and work levels were communicated and made known to all staff. The total amount of the Shared Bonus was determined at the beginning of 2025. The portion actually accrued was allocated in 2024 on an accruals basis between personnel costs and Directors’ fees depending on the recipient.

## Compensation schemes by means of equity participation

the Growens Group, and in particular its US subsidiary Bee Content Design, grants additional benefits to a small number of executives and key resources through equity participation plans in the form of stock options, otherwise known as the Long Term Incentive (LTI) plan. In accordance with IFRS 2 - Share-Based Payment, the fair value of the stock options determined at the grant date is recognised in the income statement under personnel expenses on a straight-line basis over the period between the date the option is granted and the date on which the employees concerned, directors and persons who habitually perform services for Bee Content Design and Growens, fully accrue the right to receive the compensation, with the balancing entry recognised directly in equity. The fair value of stock options is represented by the value of the option determined by applying the Black-Scholes model, which takes into account the conditions for exercising the right, the current value of the share, the expected volatility and the risk-free rate and also considering the non-vesting conditions. The fair value of stock options is recognised with an offsetting entry under stock option reserve. The current value of Bee Content Design's shares is updated at least annually by means of a professional 409A valuation prepared by a professional valuer, Sharp 409A LLP, in the form of an estimate of the Fair Market Value (FMV) of the subsidiary's ordinary shares, as required by US tax law. For further information on the existing LTI plan, please refer to the Notes to the Consolidated Financial Statements hereof.

## Provisions for risks and charges

Provisions for risks and charges include accruals deriving from current obligations (legal or constructive) deriving from a past event, for the fulfilment of which an outflow of resources will be necessary and whose amount can be reliably estimated. If forecast use of resources goes beyond the year after, the obligation is registered at current value, determined through the discounting of forecast future flows, discounted at a rate that also considers the cost of money and risk of the liability. Instead, no provision is made against risks for which the onset of a liability is merely possible. In this event, a specific disclosure is given in the specific information section on commitments and risks and no provision is made.

## Trade payables

Payables are booked at nominal value. When, considering the payment terms agreed, a financial transaction is implemented, payables are measured at current value, allocating the discount as a financial expense according to an accrual basis.

## Other current liabilities

These refer to various types of transactions and are booked at nominal value.

## Booking of revenues

Revenues are booked to the extent to which it is probable that the economic benefits are achieved and the related amount can be reliably determined. The following specific criteria in the booking of revenues must be respected before making the allocation to the Income Statement: Sales of goods – The revenue is recognised, in accordance with that established by IAS 18, when all significant risks and benefits connected with the ownership of the asset are transferred to the buyer. *Provision of services* – Revenues are recognized at the time of effective disbursement with reference to completion of the service supplied and in respect of total services still to be provided.

## Costs

Costs and other operating expenses are booked on the Income Statement when they are incurred according to an accruals basis and correlation with revenues, when they do not produce future economic benefits or do not meet the requirements for booking as assets on the Statement of financial position. Financial expenses are booked according to maturity, on the basis of the start of the terms, using the effective rate.

## Dividends

Income for dividends is recorded when the right to collection matures, which normally coincides with the meeting resolution to distribute the dividends. The dividends resolved are recognised as amounts due to shareholders at the time the distribution is resolved.

## Tax

Period tax includes current and deferred tax. Income tax is generally carried on the Income Statement, except when relative to situations booked directly as equity. Current tax is tax expected to be paid on taxable period income and calculated in compliance with current tax regulations and considering the exemptions applicable and any tax credits due. Deferred tax is calculated using the liability method on temporary differences between the amount of assets and liabilities on the financial statements and the corresponding tax values. Deferred tax is calculated according to the tax rate expected to be in force at the time the asset is realised or the liability is extinguished. Deferred tax assets are only booked if it is likely that in following years, sufficient taxable income will be generated to realise said assets. Deferred tax assets and liabilities are only offset when there is a legal right to compensation and when they refer to tax due to the same tax authority. Income tax relative to previous years includes expenses and income booked during the year for income tax relative to previous years.

## Profit/(loss) per share

*Basic*

Profit/(loss) per share is calculated as a ratio of the economic result for the weighted average of ordinary shares in issue during the year, excluding any treasury shares.

*Diluted*

Diluted profit/(loss) per share is calculated as a ratio of the economic result for the weighted average of ordinary shares in issue during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the weighted average of shares in issue is altered, assuming the conversion of all potential shares with a diluting effect, whilst the economic result is adjusted to consider the effects, net of tax, of the conversion.

## Impairment of intangible assets

The Company verifies the net book value of tangible and intangible assets, so as to determine if there is any indication that these assets may have suffered a loss in value. If there is any such evidence, the value that can be recovered on the assets is estimated. The recoverable value of a tangible or intangible asset is defined as the greater of its fair value less the costs of sale and value in use, calculated as the current value of future cash flow that is expected to stem from an asset or cash generating unit (CGU). The cash flow forecast is based on corporate plans and reasonable, documented assumptions regarding the future results of the company and macroeconomic conditions, also as regards the discounting rate used in the discounting process. When it is not possible to estimate the value that can be recovered on an individual asset, the Company estimates the value that can be recovered on the cash generating unit to which the asset pertains. With reference to Growens, a single CGU has been identified as coinciding with the legal entity, whose assets include tangible and intangible assets. Each time the recoverable value of an asset (or cash generating unit) is less than the book value, the latter is reduced to the recoverable value and the loss is carried on the Income Statement. Thereafter, if a loss previously noted on assets other than goodwill should cease to apply or reduce, the book value of the asset (or cash generating unit) is increased up to the new estimated recoverable value (which shall not, in any case, exceed the net carrying amount of the asset had no impairment been applied).

### Provision for doubtful debt

The provision for doubtful debt reflects the best estimate of the Directors as to the losses relative to the loans portfolio with regards to customers. This forecast is based on the losses expected by the Company, determined according to previous experience with similar receivables, current and historic past due positions, careful monitoring of credit quality and forecasts regarding the economic and market conditions.

### Prepaid tax

Prepaid tax is booked on the basis of expectations of taxable income in future years, which will allow for its recovery. The assessment of forecast taxable income for the purpose of booking prepaid tax depends on factors that may vary over time and determine significant effects on the potential recovery of prepaid tax receivables.

### IFRS 16: Leases

Growens has various lease agreements in place for the use of offices, long-term leasing and long-term rental of vehicles and other minor assets owned by third parties. Lease agreements are generally stipulated for a period of 6 years or more but may have extension options. Lease terms are individually negotiated and contain a wide range of different terms and conditions.

As of 01/01/2019, following the first application of accounting standard IFRS 16, for contracts regarding leases payable, the new standard provides, with limited exceptions, for the recognition of the Right of Use (RoU) acquired among the intangible assets in the financial statements, as a balancing entry to the financial liability consisting of the present value of future lease fees. Short-term contracts (lease contracts with a duration of less than or equal to 12 months and that do not contain an option to purchase) and those relating to low-value assets (i.e. with a unit value of less than Euro 5 thousand) are excluded from this provision. Short-term and low-value lease fees are recognised as costs in the Income Statement on a straight-line basis over the lease term.

The value assigned to the rights of use corresponds to the amount of the leasing liabilities recorded, in addition to the initial direct costs incurred, the fees settled at the start date of the contract or previously, the costs of restoration, net of any leasing incentives received. The costs of restoration, recognisable in rare cases, are normally related to offices, for which it could be contractually provided for the restoration to the original state at the end of the lease agreement. The discounted value of the liability thus determined increases the Right of Use of the underlying asset, with the recognition of a dedicated provision as balancing entry. Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the Rights of Use are amortized on a straight-line basis over the estimated useful life or the duration of the contract, whichever is shorter.

The financial liability for leases is recognised at the date of commencement of the agreement for a total value equal to the present value of the rental, hire and lease fees to be paid during the term of the contract, discounted using marginal interest rates (Incremental Borrowing Rate - IBR), when the interest rate implicit in the leasing contract is not easily determinable. Variable lease payments remain recorded in the Income Statement as a cost pertaining to the period.

After the commencement date, the amount of liabilities for lease contracts increases to reflect the accrual of interest and decreases to reflect payments made. Each lease payment is divided between the repayment of the principal portion of the liability and the financial cost. The financial cost is charged to the Income Statement over the duration of the contract, to reflect a constant interest rate on the residual debt of the liability, for each period.

In the case of sub-lease agreements and amendments to the lease contract, the rules required by IFRS 16 - Leases apply.

IFRS 16 requires the management to make estimates and assumptions that may affect the measurement of the Right of Use and the financial liability for leases, including the determination of:

- contracts within the scope of application of the new rules for the measurement of assets/liabilities using the financial method;
- terms of the contract;
- interest rate used for discounting future lease fees.

Contracts are included or excluded from the application of the standard, on the basis of detailed analyses carried out on individual agreements and in line with the rules laid down by the IFRS standards.

The lease term is calculated considering the non-cancellable period of the lease, together with the periods covered by an option to extend the agreement if it is reasonably certain that it will be exercised, or any period covered by an option to terminate the lease contract if it is reasonably certain that it will not be exercised. The Group assesses whether it is reasonably certain to exercise the extension or termination options, taking into account all the relevant factors that create an economic incentive for such decisions.

The initial assessment is reviewed if a significant event occurs or if there is a change in the characteristics that affect the assessment and that are under the control of the company.

The Group's marginal interest rates are reviewed on a recurring basis and applied to all contracts with similar characteristics, which are considered as a single portfolio of contracts. The rates are determined on the basis of the average effective rate of indebtedness of the Parent Company, suitably adjusted in accordance with the new accounting rules, to simulate a theoretical marginal rate of interest consistent with the contracts being assessed. The most significant elements considered in the rate adjustment are the credit-risk spread of each country observable on the market and the different duration of the lease contracts. The interest rates expressed in lease agreements are rare.

Lease incentives received by and no later than the date of commencement of the agreement are recorded as a direct reduction in the value of the Right of Use; the corresponding value reflects the money already received net of the receivable to be collected. Lease incentives agreed during the term of the contract are considered amendments to the original contract measured at the date of the amendment, with a consequent impact of equal value on the value of both the Right of Use and the lease liability.

The measurement criteria adopted by Growens, based on IAS/IFRS Accounting Standards, are consistent and substantially unchanged with those applied in the previous Annual Financial Statements as at 31/12/2023, with the exception of the following.

## Amendments to accounting standards

For an update on the amendments to accounting standards, please refer to the same paragraph in the consolidated Notes in this document.

## Risk analysis

For a detailed and in-depth analysis of the risks to which the Company is exposed in the context of its operating activities, please refer to the Report on Operations, which forms an integral part of this Consolidated Annual Report as at 31/12/2024.

## Disclosure on the book value of financial instruments

In order to provide information capable of illustrating the exposure to financial risks, the information provided by the companies regarding the fair value measurement of financial instruments, as required by accounting standard IFRS 7, is of great importance.

The "fair value hierarchy" has three levels:

- level 1: if the financial instrument is listed on an active market;
- level 2: if the fair value is measured on the basis of valuation techniques based on parameters observable on the market, other than the prices of the financial instrument;
- level 3: if the fair value is calculated on the basis of valuation techniques based on parameters not observable on the market.

The table below shows the value of consolidated financial instruments at the end of FY 2024.

| *(Amounts in Euro)* | Book value | Fair value | Fair value hierarchy |
|---|---|---|---|
| **Other financial assets** | | | |
| Other non-current financial assets | 2,244,189 | 2,244,189 | Level 3 |
| Other non-current financial assets | 3,956,815 | 3,956,815 | Level 1 |
| Other current financial assets | 11,834,813 | 11,834,813 | Level 1 |

For details on the composition of the items highlighted above, please refer to the specific Explanatory Notes provided below in this document.

## Contingent liabilities

At present, there are no legal or tax disputes involving the Company that require the recognition of contingent liabilities.

# NOTES ON THE EQUITY, FINANCIAL AND ECONOMIC STATEMENTS

## Assets

## Non-current assets

### Rights of Use (1)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 1,178,339 | 1,076,772 | 101,567 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Office Right of Use IFRS 16 | 821,947 | 827,923 | (5,976) |
| Car right of use IFRS 16 | 212,590 | 123,449 | 89,141 |
| PC Right of Use IFRS 16 | 143,802 | 125,399 | 18,403 |
| **Total** | **1,178,339** | **1,076,772** | **101,567** |

The increase shown above is attributable to new hardware rental contracts, new car rental contracts, and the new rental contract for the Milan offices in Via Porro Lambertenghi 7, where the Company's registered and operating offices are located.

On 01/01/2019 was the first-time adoption of the accounting standard IFRS 16 Leases. In the specific case of the Group, for office rental contracts, long-term vehicle leasing and rental contracts, with limited exceptions for short-term contracts or contracts of reduced value, it provides for the recognition of the Right of Use (RoU) acquired under non-current assets in the financial statements, as a balancing entry to the financial liability consisting of the present value of future lease fees.

The value of the Right of Use was determined by discounting the future lease fees provided for in the relevant contract at the time of first-time adoption of the accounting standard or subsequently at the time of signing new contracts or amendments to them. Assessments are periodically carried out so that a rate in line with market trends is applied to new contracts. As for other tangible and intangible assets, the amounts shown above are net of the related provision for amortisation/depreciation and equal to Euro 821,947 for leased offices, Euro 212,590 for vehicles and Euro 143,802 for hired personal computers, respectively. IFRS 16 requires the Right of Use to be amortised on a straight-line basis over the remaining life of the underlying contract. The change takes into account both IFRS 5 reclassifications and increases due to new contracts.

## Intangible assets (2)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 433,115 | 784,930 | (351,815) |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Software development | 81,778 | 197,443 | (115,666) |
| Third-party software | 340,775 | 569,968 | (229,193) |
| Trademarks | 3,461 | 5,121 | (1,660) |
| Other | 7,101 | 12,398 | (5,297) |
| **Total** | **433,115** | **784,930** | **(351,815)** |

Intangible assets are recorded in the financial statements with the consent of the Board of Statutory Auditors. The item "Software development" includes the capitalisation of the implementation of strategic software tools for the Company and the Group of proven future utility. The item "Third-party software" includes the implementation, integration and development of third-party software used in business processes. The item "Trademarks" includes the expenses incurred for the deposit and protection of the Growens trademark in Italy and in other countries considered strategic in commercial terms. The "Other" fixed assets consist of the costs of the complete revision of the Company's name and the Group's brand in the context of the growth project that characterises the Group's long-term strategy. Reference should be made to the section on Measurement criteria above, and in particular to the paragraph on Intangible Assets, for further information on the useful life of intangible assets.

## Equity investments in subsidiaries (3)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 22,997,167 | 10,136,349 | 12,860,817 |

| Description | 31/12/2023 | Period increases | Period decreases | 31/12/2024 |
|---|---|---|---|---|
| BEE Content Design, Inc. | 1,336,349 | 12,860,817 | - | 14,197,167 |
| Agile Telecom S.p.A. | 8,800,000 | - | - | 8,800,000 |
| **Total** | **10,136,349** | **12,860,817** | **-** | **22,997,167** |

The increase in the year was due to the capital increase subscribed on 17 December 2024 by Growens with the issue of 1,859,504 shares of Bee Content Design amounting to U$D 13.5 million by offsetting past intercompany receivables related to the provision of staff and technology services related to Beefree's strategic business.

The following information is supplied on the controlling equity investments held directly.

| Denominazione | Città o Stato Estero | Capitale Sociale Euro | Patrimonio netto Euro | Utile/(perdita) | % Poss. | Valore bilancio |
|---|---|---|---|---|---|---|
| BEE CONTENT DESIGN INC | STATI UNITI | 60.475 | 4.323.891) | (4.577.208) | 97,7 | 14.197.167 |
| AGILE TELECOM S.p.A. | CARPI (MO) | 500.000 | 3.524.907 | 1.456.965 | 100 | 8.800.000 |
| **Totale** | | | | | | **22.997.167** |

For details on the activities performed by the subsidiaries and their strategic role within the Group, please refer to the Report on Operations, which is an integral part of these annual financial statements. Equity investments recognised as non-current assets represent a long-term and strategic investment for the Company.

## Impairment testing of goodwill

In the event of signs that show impairment of intangible fixed assets recorded in the financial statements, as mentioned in the section on accounting standards adopted, the Company verifies the economic-financial recoverability of the same through specific assessments (impairment tests) on each Cash Generating Unit (CGU) in the specific case represented by the legal entity Growens, which has recorded these values in its financial statements. The potential recovery of the investment is determined with reference to forecast cash flow. The Company verifies the net book value of intangible assets, so as to determine if there is any indication that these assets may have suffered a loss in value and, if necessary, carries out a specific impairment test. Since these circumstances did not occur during 2024, the need to carry out the aforementioned test did not emerge.

## Equity investments in associates (4)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 429,054 | 350,674 | 78,379 |

| Company name | City or foreign country | Share capital | Shareholders' equity | Profit/(loss) 2024 | % held | Book value |
|---|---|---|---|---|---|---|
| CRIT - Cremona Information Technology | CREMONA (CR) | 548,400 | 209,265 | (144,176) | 33.29 | 182,550 |
| Other investments | | | | | | 246,504 |

The change of Other investments is due to the following payments by way of capital subscription: for a total of Euro 171,792 to Prana Ventures SICAF Euveca, while for Euro 74,712 to Eureka Venture SGR S.p.A. on account of Aff Blacksheep Euveca Fund in relation to more efficient liquidity management operations.

## Other non-current assets (5)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 6,201,004 | 5,983,797 | 217,207 |

| Description | 31/12/2023 | Changes | 31/12/2024 |
|---|---|---|---|
| Receivables from associated companies (Beyond 12 months) | 70,000 | - | 70,000 |
| Receivables from others | 6,407 | 22,800 | 29,207 |
| Tax receivables Beyond | 1,270 | (1,270) | - |
| Pledged amounts BPER | 1,259,520 | 28,688 | 1,288,208 |
| Escrow on sale of ESP BU | 4,646,600 | 166,989 | 4,813,589 |
| **Total** | **5,983,797** | **217,207** | **6,201,004** |

The item "Escrow on sale of ESP BU" amounting to Euro 4.8 million is attributable to a portion of the price paid by TeamSystem S.p.A. pledged as escrow as is customary in the settlement of similar extraordinary transactions, in particular to guarantee certain obligations related to the sale of the ESP business. The item "Pledged amounts BPER" refers to the amount withheld as pledge by Banca Popolare dell'Emilia Romagna against the four disbursements in 2020-2021-2022 of the loan connected to the Ministry of Economic Development "ICT – Digital Agenda" call for tenders. The amount of the pledge is calculated as 40% of the total disbursed by BPER and Cassa Depositi e Prestiti and was converted into a pledge on securities during the financial year 2024. These are exclusively government bonds with very low risk and adequate remuneration.

## Deferred tax assets (6)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|

| | | |
|---|---|---|
| 117,575 | 373,233 | (255,658) |

Deferred tax assets refer to temporary differences recorded in the individual financial statements and differences that will reverse over the next financial years.

# Current assets

## Trade and other receivables (7)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 196,881 | 536,352 | (339,471) |

The amount relates to residual trade receivables from clients not transferred to TeamSystem, in addition to receivables from customers in the video surveillance business line, and also includes receivables for invoices to be issued in the amount of Euro 7,660. The utilisation of the provision for bad debts in the year 2024 is detailed below. Given the negligibility of the outstanding receivables, no provision was made for 2024.

| Description | Value as at 31/12/2024 |
|---|---|
| Balance as at 31/12/2023 | **(28,502)** |
| Period use | 28,502 |
| Period provision | - |
| **Balance as at 31/12/2024** | - |

## Key accounts

In accordance with the provisions of IFRS 8, please note that for the years ended on 31/12/2024 and 31/12/2023, there are no third-party customers generating revenues that exceed 10% of total revenues.

## Receivables from subsidiaries and associates (8)

| Description | Balance as at 31/12/2023 | Balance as at 31/12/2024 | Changes |
|---|---|---|---|
| From subsidiaries | 7,146,841 | 1,476,531 | (5,670,310) |

The noticeable decrease in receivables from subsidiaries is mainly related to the capital increase subscribed by the parent company in favour of Beefree by offsetting receivables for intercompany supplies, as detailed above.

Receivables from subsidiaries refer to holding services provided to subsidiaries and derive from normal commercial relationships established during the 2024 financial year. Below is the breakdown of receivables by geographic area:

| Receivables by geographic area | From customers | From subsidiaries | Total |
|---|---|---|---|
| Customers – Italy | 196,881 | 90,403 | 287,284 |
| Customers – EU | - | - | - |
| Non-EU receivables | - | 1,386,127 | 1,386,127 |
| **Total** | **196,881** | **1,476,531** | **1,673,412** |

## Other current assets (9)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 18,518,400 | 8,672,180 | 9,846,220 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Inventories | 20,203 | 21,232 | (1,029) |
| Tax receivables | 5,307,624 | 2,294,437 | 3,013,187 |
| Other receivables | 457,002 | 32,546 | 424,456 |
| Accrued income and prepaid expenses | 898,759 | 1,432,404 | (533,646) |
| Other current financial assets | 11,834,813 | 4,891,561 | 6,943,252 |
| **Total** | **18,518,400** | **8,672,180** | **9,846,220** |

The main item, as shown in the table above, is Other current financial assets, i.e., the fair value of low-risk, rapidly liquid securities, mainly government bonds and bonds, purchased to maximise the return on liquidity temporarily not allocated to specific business investments. As already mentioned in these financial statements, an additional Euro 6.5 million was earmarked for this purpose in 2024, in view of the lower profitability of other forms of investment such as bank deposit accounts, which are affected by falling market reference rates such as Euribor. Another particularly significant item is Tax receivables, details of which are provided in the table below. Accrued income decreased as a result of the elimination of interest income on temporarily invested liquidity pending the payment of dividends in the amount of Euro 20 million in two instalments during 2024, while lower Prepaid expenses resulted from the natural reduction in centralised supplier management activities by Growens following the exit of the ESP branch subsidiaries from the Group perimeter. Other receivables include the grant on the call for tender New Skills Fund 2023 for Euro 427 thousand, accrued but pending payment.

Tax receivables as at 31/12/2024, are as follows:

| Description | Amount |
|---|---|
| Group VAT credit | 4,702,331 |
| Hiring tax credit | 28,649 |
| R&D tax credit (Law no. 190/2014) | 116,221 |
| Receivables from Tax Authorities for withholding taxes | 278,085 |
| IRES / IRAP Receivables | 124,438 |
| 110% Superbonus credits | 57,901 |
| **Total** | **5,307,624** |

It should be noted that the Group's VAT credit is derived almost exclusively from the activities of the subsidiary Agile Telecom, which operates mainly with domestic suppliers on the one hand and foreign customers on the other, and recorded an increase of almost Euro 2.6 million during 2024. The management of this credit is centralised at Growens under the Group VAT mechanism. The withholdings incurred derive from the tax withholdings applied on financial income collected in 2023, in particular relating to bank deposit accounts.

## Cash and cash equivalents (10)

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Cash and cash equivalents | 492,770 | 35,635,339 | (35,142,569) |

| Description | Balance as at 31/12/2024 | Balance as at 31/12/2023 |
|---|---|---|
| Bank accounts receivable | 492,709 | 15,634,891 |
| Cash | 61 | 388 |
| Bank deposit accounts | 0 | 20,000,060 |
| **Total** | **492,770** | **35,635,339** |

The balance represents liquid funds and cash as well as valuables held as at 31/12/2024. The value at the previous year-end, which was strongly influenced by the collection of the price for the sale of the ESP business to TeamSystem, is not comparable since it included the provision for the payment of dividends in the amount of Euro 20 million, which took place in the year under review, in addition to the higher investments in securities of Euro 6.5 million mentioned in the previous paragraph. Also to be considered is the effect of the financial support to Beefree, through the capital increase described several times in the section on the consolidated financial statements, as well as the impact of one-off items for consultancy and bonuses accruing in 2023 and settled at the beginning of 2024. For an in-depth analysis of the financial dynamics affecting Cash and cash equivalents, please also refer to the paragraph on Net Financial Position in the Report on Operations to these financial statements, and the Cash Flow Statement as at 31/12/2024.

# Liabilities and Shareholders' Equity

## Shareholders' equity

### Share capital and reserves (11)

The table below shows the change in share capital:

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 384,834 | 384,834 | - |

The share capital of the parent company Growens is entirely paid in and is represented as at 31/12/2024 by 15,393,343 ordinary shares with no par value, whose accounting parity comes to Euro 0.025 each.

Below is the composition of the reserves:

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 38,873,329 | 2,659,984 | 36,213,345 |

| Description | Balance as at 31/12/2023 | Increases | Decreases | Balance as at 31/12/2024 |
|---|---|---|---|---|
| Share premium reserve | 13,743,348 | | | 13,743,348 |
| Stock option reserve | | 192,870 | | 192,870 |
| Legal reserve | 80,000 | | | 80,000 |
| Extraordinary reserve | 8,543,943 | 36,029,273 | | 44,573,216 |
| Reserve for exchange adjustments | 74,625 | | | 74,625 |
| FTA reserve | (613,449) | | | (613,449) |
| OCI reserve and translation | (210,796) | (8,798) | | (219,593) |
| Reserve for portfolio treasury shares | (18,280,937) | | | (18,280,937) |
| Merger surplus reserve | 133,068 | | | 133,068 |
| Profits/losses carried forward IAS | (212,668) | | | (212,668) |

| | | | | |
|---|---|---|---|---|
| Profits/losses carried forward | (597,150) | | | (597,150) |
| **Total** | **2,659,984** | **36,213,345** | | **38,873,329** |

The increase in the extraordinary reserve resulting from the allocation of the economic result of the previous financial year, net of the distributed dividends, is very significant. Following the adoption of the stock option plan, LTI Long Term Incentive, the specific reserve was changed in accordance with IFRS 2. Please refer to the specific section in the notes to these separate and consolidated financial statements for further details on the LTI plan. The OCI Reserve is adjusted in compliance with IAS 19.

# Period result

The net result for the financial year is positive and shows a net profit of Euro 2,161,469 compared to the net profit of Euro 56,069,522 as at 31/12/2023. The operating result at the previous year-end reflected the large capital gains recognised following the divestments in 2023, and a meaningful comparison of the two absolute values is therefore not possible. For an in-depth analysis of the dynamics that determined the result for the period, please refer to the specific section of the Report on Operations to the separate and consolidated financial statements as at 31/12/2024, an integral part of these financial statements. The shareholders' equity items are broken down as follows according to their origin, possible use, distributable nature and use made in last the three years.

| Nature / Description | Amount | Possible use (*) | Available portion |
|---|---|---|---|
| Share premium reserve | 13,743,348 | A, B | 13,743,348 |
| Stock option reserve | 192.8700 | B | |
| Legal reserve | 80,000 | B | |
| Extraordinary reserve | 44,573,216 | A, B, C, D | 44,573,216 |
| Reserve for exchange rate gains | 74,625 | | |
| FTA reserve | (613,449) | | |
| OCI reserve | (219,523) | | |
| Negative reserve for portfolio treasury shares | (18,280,937) | | |
| Merger surplus reserve | 133,068 | B | 133,068 |

| | | | |
|---|---|---|---|
| Losses carried forward IAS | (212,668) | | |
| Profits and losses carried forward | (597,149) | | |
| **Total** | **38,873,329** | | **38,528,868** |
| Restricted portion | | | **81,778** |
| **Residual distributable portion** | | | **38,447,090** |

(*) A: for capital increase; B: for loss coverage; C: for distribution to shareholders; D: for other statutory restrictions (**) The restricted portion is calculated on the basis of Article 2426, paragraph 5 of the Italian Civil Code, and corresponds to the remaining amount not yet amortized of research, development and advertising costs as at 31/12/2021.

# Non-current liabilities

## Amounts due to banks and other lenders - non-current portion (12)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 962,343 | 2,074,235 | (1,111,891) |

The item "Amounts due to banks" relates to the residual medium/long-term portions of the outstanding loans granted by Credito Emiliano and Banca Popolare dell'Emilia Romagna, the latter connected to the MISE ICT Digital Agenda tender described earlier in the Report on Operations.

## Long-term Right of Use liability (13)

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Financial liability RoU offices MLT IFRS16 | 577,847 | 647,989 | (70,142) |
| Financial liability RoU car MLT IFRS16 | 143,363 | 63,369 | 79,994 |
| Financial liability RoU PC MLT IFRS16 | 74,956 | 75,166 | (210) |
| **Total** | **796,166** | **786,524** | **9,640** |

The financial liability shown above is calculated in application of IFRS 16 and corresponds to the present value of the future instalments of rent, hire and lease contracts in force at the date of recognition, with expiry beyond 12 months. The increase is attributable to the signing of new hardware rental contracts, new vehicle rental contracts, and the rental contract for the new registered office and operating headquarters in Milan at Via Porro Lambertenghi 7.

## Provisions for risks and charges (14)

| 31/12/2024 | 31/12/2023 | Changes |
| --- | --- | --- |
| 233,333 | 93,333 | 140,000 |

| Description | 31/12/2023 | Increases | Decreases | 31/12/2024 |
| --- | --- | --- | --- | --- |
| Provision for pensions (TFM) | 93,333 | 140,000 | | 233,333 |

The provision for pensions is related to the indemnity due to Directors upon cessation of office (TFM).

## Staff funds (15)

| 31/12/2024 | 31/12/2023 | Changes |
| --- | --- | --- |
| 951,496 | 789,517 | 161,979 |

The change is as follows:

| Description | 31/12/2023 | Increases | Decreases | Actuarial Gains/Losses | 31/12/2024 |
| --- | --- | --- | --- | --- | --- |
| Staff provisions (TFR) | 789,517 | 180,553 | (30,150) | 11,576 | 951,496 |

## Demographic hypotheses

As regards the demographic hypotheses, the ISTAT 2011 mortality tables were used, as well as INPS disability/invalidity tables.
As regards the probability of leaving work for reasons other than death, the turnover values noted in the Companies assessed over a time frame of observation deemed to be representative, were used; more specifically, annual frequencies of 10% were considered.

## Economic-financial hypotheses

These regard the theoretical lines of remuneration, the technical interest rate, the inflation rate and the value adjustment rates of salaries and TFR.
The technical assessments were carried out on the basis of the hypotheses described below:

| Description | 31/12/2024 |
| --- | --- |
| Annual technical discounting rate | 3.38% |
| Annual inflation rate | 2.00% |
| Annual TFR increase rate | 3.00% |
| Annual salary increase rate | 2.50% |

The annual discounting rate used to calculate the current value of the obligation was inferred, consistently with paragraph 83 of IAS 19, by the Iboxx Corporate AA Index with duration 10+ recognised on the measurement date. For this purpose, the yield with duration comparable to the duration of the workers' group evaluated was chosen.

# Current liabilities

## Trade and other payables (16)

| Description | 31/12/2024 | 31/12/2023 | Changes |
| --- | --- | --- | --- |
| Trade payables | 999,735 | 2,758,308 | (1,758,573) |
| **Total** | **999,735** | **2,758,308** | **(1,758,573)** |

"Trade payables" are recorded net of trade discounts and are broken down by geographic area as follows:

- Italy trade payables for Euro 767,631;
- EU trade payables for Euro 124,440;
- non-EU trade payables for Euro 107,664.

The decrease in trade payables results from the natural reduction in Growens' centralised supplier management activities following the exit of the ESP branch subsidiaries from the group perimeter

## Payables to subsidiaries and associates (17)

| 31/12/2024 | 31/12/2023 | Changes |
| --- | --- | --- |
| 3,018,472 | 546,381 | 2,472,091 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
| --- | --- | --- | --- |
| Subsidiaries | 3,018,472 | 546,381 | 2,472,091 |
| Associates | - | - | - |

| | | | |
|---|---|---|---|
| **Total** | **3,018,472** | **546,381** | **2,472,091** |

“Payables to subsidiaries” consist of VAT payables to Agile Telecom in connection with the Group VAT regime in place. The relative increase was analysed above with reference to the similar trend in tax receivables.

## Amounts due to banks and other lenders - current portion (18)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 1,148,688 | 1,156,850 | (8,162) |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Amounts due to banks - short-term | 36,796 | 71,334 | (34,537) |
| Short-term portion of loans | 1,111,892 | 1,085,516 | 26,375 |
| **Total** | **1,148,688** | **1,156,850** | **(8,162)** |

The item “Short-term Portion of Loans” is determined by the residual short-term portions of loans taken out with Credito Emiliano and Banca BPER, the latter related to the MISE ICT Digital Agenda tender mentioned above. The remaining item relates to bank debt to electronic payment circuits for payments made by credit card.

## Short-term Right of Use liability (19)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|
| 411,743 | 301,399 | 110,344 |

| Description | 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|---|
| Short-term office Right of Use liability | 267,577 | 190,004 | 77,573 |
| Short-term car Right of Use liability | 76,384 | 61,561 | 14,823 |
| Short-term PC Right of Use liability | 67,783 | 49,833 | 17,950 |
| **Total** | **411,743** | **301,399** | **110,344** |

The financial liability shown above is calculated in application of IFRS 16 and corresponds to the present value of the future instalments of rent, hire and lease contracts in force at the date of recognition, with expiry within 12 months. The increase is attributable to the signing of new hardware rental contracts, new vehicle rental contracts, and the rental contract for the new registered office and operating headquarters in Milan at Via Porro Lambertenghi 7.

## Other current liabilities (20)

| 31/12/2024 | 31/12/2023 | Changes |
|---|---|---|

| | | |
|---|---|---|
| 2,276,605 | 3,279,432 | (1,002,827) |

Below is the breakdown of Other current liabilities:

| Description | 31/12/2024 |
|---|---|
| Tax payables | 216,494 |
| Amounts due to social security institutions | 349,145 |
| Amounts due to Directors for remuneration | 48,641 |
| Amounts due to employees for salaries, holidays, leave and additional months' salaries | 775,974 |
| Payables for shared Bonus | 877,127 |
| Accrued liabilities and deferred income | 9,225 |
| **Total** | **2,276,605** |

The most significant change compared to the previous year-end is determined by Shared Bonus Payables, the provision for variable bonuses accrued by employees that will be paid in the following year if annual performance targets are achieved, which decreased by almost Euro 1.1 million. As at 31 December 2023, in fact, this item also included the allocation for the M&A Bonus, in the amount of Euro 960 thousand, accrued by certain senior figures who supported Growens in the completion of the extraordinary transactions of the previous year, in addition to the effect due to the organisational downsizing of the Company after the aforesaid transactions. Tax payables mainly refer to withholdings applied to income from employment and autonomous work to be paid during the following period, as debt for direct taxes allocated. Payables to social security institutions relate to social security charges of various kinds to be paid in the following period with reference to the last month's payroll, as well as Amounts due to employees relate to the punctual balance of salaries, holidays and leave, thirteenth and fourteenth month's salary already accrued but not yet paid to employees.

# Income Statement

## Revenues (21)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 14,590,972 | 10,309,673 | 4,281,299 |

## Revenues by product type

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Intercompany revenues | 12,957,194 | 9,054,043 | 3,903,151 |

| | | | |
|---|---|---|---|
| Other revenues | 1,633,778 | 1,255,630 | 378,148 |
| **Total** | **14,590,972** | **10,309,673** | **4,281,299** |

On a like-for-like basis, total revenues amounted to Euro 14.6 million (Euro 10.3 million as of 31/12/2023), an increase of Euro 4.3 million (+41.5%) over the corresponding figure for the previous year. They mainly consist of the re-invoicing of: staff services (administrative, legal, human resources management, top management, management control and IT technology services) provided by Growens in favour of subsidiaries; licences, consultancy and other costs incurred by the parent company on behalf of subsidiaries; support activities provided by parent company personnel exclusively dedicated to supporting Beefree with product development, R&D, marketing and customer experience functions. In the 2024 financial year, these services were further strengthened, through the organisational and skills growth of the dedicated Holding departments. Also, more advanced and more precise criteria for allocating these centralised costs to subsidiaries were gradually adopted, which enabled the optimisation of intercompany flows.

The Other income item, which increased compared to the previous year, includes, among the main items, allocations related to grants accrued on public tenders, particularly the New Skills Fund for Euro 427 thousand and R&D credits accrued for Euro 116 thousand, one-off contingent assets related to contractual agreements for the sale of ESP business line to third parties for Euro 291 thousand, reversal of costs always referred to the divestments of TeamSystem and Squeezely in 2023, revenues related to the Video-surveillance business line and rents receivable from third parties for subleased offices and related ancillary expenses, as well as other minor contingencies.

## COGS (Cost of goods sold) (22)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 1,954,210 | 1,843,797 | 110,413 |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Purchases Cogs | 146,018 | 2,200,950 | (2,054,932) |
| Services Cogs | 1,643,027 | 2,463,973 | (820,945) |
| Cost of rents and leases Cogs | 0 | 2,333 | (2,333) |
| Personnel costs Cogs | 136,731 | 743,686 | (606,955) |
| Sundry operating expenses Cogs | 28,434 | 63,219 | (34,785) |
| **Discontinued Operations** | **0** | **(3,630,363)** | **3,630,363** |
| **Total** | **1,954,210** | **1,843,797** | **110,413** |

COGS costs are mainly represented by the parent company's centralised cloud space purchases for the Beefree business, as well as the customer experience team always dedicated to supporting the US subsidiary's customers. For this table and the following tables referring to costs, as previously specified, please note that the individual detail rows also include for the 2023 column the costs referring to the MailUp BU and the support of the subsidiaries divested in the previous year, the so-called Discontinued Operations, while the totals show the like-for-like comparison with the current configuration of the Group, as indicated by the asterisk next to the header of the comparison values.

## Sales & Marketing costs (23)

| 31/12/2024* | 31/12/2023* | Changes |
|---|---|---|
| 298,163 | 292,697 | 5,466 |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Purchases S&M | 0 | 2,923 | (2,923) |
| Services S&M | 8,768 | 787,257 | (778,489) |
| Cost of rents and leases S&M | 2,697 | 27,672 | (24,975) |
| Personnel costs S&M | 286,698 | 1,902,102 | (1,615,404) |
| **Discontinued Operations** | **0** | **(2,427,257)** | **2,427,257** |
| **Total** | **298,163** | **292,697** | **5,466** |

This includes the costs of the departments dealing with sales and marketing activities, which, following Growens' assumption of the role of holding company and the discontinuation of the business activities previously associated with the MailUp business unit, are now exclusively dedicated to the US subsidiary Beefree.

## Research & Development costs (24)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 5,349,253 | 3,946,497 | 1,402,756 |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Purchases R&D | 122 | 261 | (139) |
| Services R&D | 422,562 | 586,739 | (164,177) |
| Cost of rents and leases R&D | 2,946 | 3,212 | (266) |

| | | | |
|---|---|---|---|
| R&D costs | 4,923,622 | 5,340,375 | (416,754) |
| Capitalised personnel cost | 0 | (703,750) | 703,750 |
| **Discontinued Operations** | **0** | **(1,280,341)** | **1,280,341** |
| **Total** | **5,349,253** | **3,946,497** | **1,402,756** |

These costs relate to departments that deal with research and development. The research and development activity for the year under analysis relates to the Beefree editor and is carried out by the Growens team dedicated exclusively to the incremental improvement of this product.

## General costs (25)

| 31/12/2024* | 31/12/2023* | Changes |
|---|---|---|
| 6,296,632 | 6,603,530 | (306,899) |

The breakdown is as follows:

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| General purchases | 31,377 | 35,877 | (4,500) |
| General services | 3,479,905 | 6,307,162 | (2,827,256) |
| Cost of rents and leases – General | 171,981 | 295,594 | (123,613) |
| Personnel costs – General | 2,550,941 | 3,140,490 | (589,549) |
| Sundry operating expenses – General | 62,428 | 132,380 | (69,953) |
| **Discontinued Operations** | **0** | **(3,307,973)** | **3,307,973** |
| **Total** | **6,296,632** | **6,603,530** | **(306,899)** |

General costs express overhead expenses, mainly related to the offices instrumental to the activity performed (utilities, maintenance, related purchases), administrative expenses in general, including costs of accounting, legal, back-office commercial clerical staff, human resources and management control, the remuneration of the Board of Directors, the Board of Auditors and the Independent Auditors, legal, tax, accounting, labour and other consultancy in general, in addition to costs related to the status of listed company, such as for investor relations and costs of M&A activity. The organisational downsizing as a result of the previous extraordinary transactions led to the reduction in the holding company's structural costs highlighted here.

## Amortisation, depreciation and impairment (26)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 1,096,897 | 957,041 | 139,856 |

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| General amortization, depreciation and provisions | 65,110 | 70,357 | (5,247) |
| Amortisation Right of Use | 456,683 | 338,200 | 118,483 |
| Amortisation R&D | 575,104 | 548,484 | 26,620 |
| **Total** | **1,096,897** | **957,041** | **139,856** |

Right of Use amortisation was calculated for the first time in 2019 following the application of IFRS 16.

## Financial operations (27)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| 2,912,536 | 2,588,705 | 323,831 |

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Dividends from subsidiaries | 1,491,918 | 2,247,271 | (755,353) |
| Financial income | 1,324,137 | 70,290,576 | (68,966,439) |
| Financial expense | (256,194) | (11,476,881) | 11,220,687 |
| Exchange gains | 431,283 | 14,810 | 416,473 |
| Exchange losses | (78,609) | (49,834) | (28,775) |
| **Discontinued Operations** | | (58,437,237) | 58,437,237) |
| **Total** | **2,912,536** | **2,588,705** | **323,831** |

Financial income includes interest income on bank accounts, deposit accounts and coupons on government securities and bonds in the amount of about Euro 976 thousand, the result of the profitable management of liquidity not immediately allocated to investment in the Group's business, and capital gains from the fair value adjustment of securities subscribed in application of IFRS 9 in the amount of about Euro 347 thousand. Financial expenses include interest expenses on loans amounting to about Euro 48 thousand, as well as fair value adjustments of securities in portfolio that generated capital losses of about Euro 125 thousand. The remaining 82 thousand relates to interest expenses for the application of IFRS 16. The effect of foreign exchange gains, net of relative losses for around Euro 400 thousand, was significant, related to the strengthening of U$D that characterized the end of 2024.

## FY income tax (28)

| 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|
| (346,885) | 9,109 | (355,994) |

| Description | 31/12/2024 | 31/12/2023* | Changes |
|---|---|---|---|
| Current tax | (88,449) | - | (88,449) |
| Deferred taxes | (258,436) | 9,109 | (267,545) |
| **Total** | **(346,885)** | **9,109** | **(355,994)** |

| Tax | Balance as at 31/12/2024 | Balance as at 31/12/2023 | Changes |
|---|---|---|---|
| Current tax | **(88,449)** | - | **(88,449)** |
| IRES | (50,935) | - | (50,935) |
| IRAP | (37,514) | | (37,514) |
| Substitute tax | | | |
| Deferred tax liabilities (assets) | **(258,436)** | **9,109** | **(267,545)** |
| IRES | (258,436) | 9,109 | (267,545) |
| IRAP | | | |
| **Total** | **(346,885)** | **9,109** | **(355,994)** |

The Company has set up year tax on the basis of the application of current tax regulations. The year's taxes are made up of current tax, deferred tax and prepaid tax, relating to positive and negative items of income respectively subject to imposition or deductions in years other than those during which they are booked. The statements below acknowledge the reconciliation of the theoretical tax liability resulting from the financial statements and the tax liability.

## Reconciliation between the tax liability as per the financial statements and the theoretical tax liability (IRES)

| Description | Value | Tax |
|---|---|---|
| Pre-tax result | 2,508,354 | 602,005 |
| Theoretical tax liability (%) | 24% | |
| Temporary differences taxable in subsequent years: | (6,253) | (1,501) |
| Temporary differences deductible in subsequent years | 879,655 | 211,117 |
| Reversal of temporary differences from previous years | (1,980,135) | (475,232) |
| Differences that will not be reversed in subsequent years | (1,349,960) | (323,990) |
| Aid for Economic Growth (ACE) | | |
| **Taxable amount** | **51,661** | **12,399** |
| **Current income tax for the year** | | 12,399 |
| **Deferred tax net of uses of tax accrued in previous years** | | |

| Description | Value | Tax |
|---|---|---|
| Pre-tax result | 2,508,354 | 602,005 |
| Theoretical tax liability (%) | 24% | |
| Temporary differences taxable in subsequent years: | (6,253) | (1,501) |
| Temporary differences deductible in subsequent years | 879,655 | 211,117 |
| Reversal of temporary differences from previous years | (1,980,135) | (475,232) |
| **Net IRES for the year** | | - |

## Determination of the tax base for IRAP purposes

| Description | Value | Tax |
|---|---|---|
| Difference between production value and costs before CDL and write-downs | 7,140,448 | 278,477 |
| Costs not relevant for IRAP purposes | 1,311,117 | 51,134 |
| Revenues not relevant for IRAP purposes | (98305) | (3,834) |
| Theoretical tax liability (%) | | 3.90% |
| Deductions for employed staff | (7,391,374) | (288,264) |
| **Tax base for IRAP purposes** | 961,886 | 37,514 |
| **Current IRAP for the year** | | 37,514 |

## Earnings per share (29)

Basic earnings per share is calculated by dividing the net profit for the period attributable to the company's ordinary shareholders by the weighted average number of ordinary shares, excluding treasury shares, outstanding during 2024 The income and share information used to calculate basic earnings per share is shown below.

| Description | 31/12/2024 |
|---|---|
| **Net profit attributable to shareholders** | 2,161,469 |
| Opening number of ordinary shares | 15,393,343 |
| Opening portfolio treasury shares | 2,709,641 |
| Closing number of ordinary shares | 15,393,343 |
| Closing portfolio treasury shares | 2,709,641 |
| Weighted number of shares in issue | 12,683,702 |
| **Basic earnings per share** | **0.1704** |

Diluted earnings per share are calculated as follows:

| Description | 31/12/2024 |
|---|---|
| Net profit attributable to shareholders | 2,161,469 |
| Opening number of ordinary shares | 15,393,343 |
| Opening portfolio treasury shares | 2,709,641 |
| Opening shares potentially assignable | |
| Closing number of ordinary shares | 15,393,343 |
| Closing portfolio treasury shares | 2,709,641 |
| Closing shares potentially assignable | |
| Weighted number of shares in issue | 12,683,702 |
| **Basic earnings per share** | **0.1704** |

## Workforce

As at 31/12/2024, Growens had 99 employees, of whom 4 managers, 14 middle managers, 81 white-collar workers. The total number of persons employed during the year, i.e. AWUs (Annual Work Units) amounted to 101.44.

## Disclosure on related party transactions

To view the table on related party transactions and the relative detailed information, please refer to the separate and consolidated Report on Operations, which is an integral part of these annual financial statements.

## Information on the fees due to the Board of Directors, Board of Statutory Auditors and Independent Auditing Firm

| Qualification | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Directors | 1,286,886 | 860,656 |
| Board of Statutory Auditors | 26,369 | 25,954 |
| Independent auditing company | 24,000 | 25,000 |

Directors’ remuneration includes the relevant contribution and the allocation of the Group’s variable bonus called shared bonus, which is subject to year-end checks on the amount and whether it will be paid.

## Requirements envisaged by Article 25, paragraph 2, letter H of Decree-Law no. 179/2012 - Innovative SMEs

As of the date of approval of the financial statements as at 31 December 2020, Growens can no longer be identified as a SME, as for two consecutive years, the Group of which Growens is parent has exceeded the limits on turnover and total annual consolidated assets, which are necessary requirements to maintain this qualification.

## Grants on calls for tenders from public administrations

Information pursuant to Article 1, paragraph 125 of Law no. 124 of 4 August 2017. It should be noted that in 2024, Growens received the following grants on calls for tenders from public administrations:

| Date | Description | Amount |
|---|---|---|
| 28/11/2024 | Charging points Grant | 2,000.00 |
| | | **2,000.00** |

## Proposal for allocation of profits

It is proposed to the Ordinary Shareholders' Meeting to approve the financial statements for the financial year 2024 and to distribute an extraordinary dividend in the amount of Euro 0.38 gross per share, for a total amount of Euro 4.8 million.

The dividend will be paid in the following manner:

- payment of Euro 0.38 gross per share deriving from the distribution of profits and extraordinary reserve, in cash or, exclusively at the shareholder's choice, in Growens ordinary shares;
- in the event of payment in shares, allotment of 1 share for every 8 shares held on the record date coinciding with 29 April 2025.

The shares to be allocated by way of dividend, amounting to a maximum of 1,585,463, held in Growens' portfolio on the ex-dividend date are of the same category as those already held by shareholders for which dividends are paid. These are ordinary shares that confer the same voting and economic rights as those already owned.

If the shareholder does not exercise, in the prescribed manner, his or her right to choose to receive the dividend in shares, by communicating that he or she wishes to receive the shares, or does not hold the minimum number of shares, an extraordinary cash dividend of Euro 0.38 per share will be automatically and exclusively granted.

These financial statements, comprising the Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Explanatory Notes, provide a true and fair view of the equity and financial situation as well as the economic result for the year and are consistent with the underlying accounting records.

Thank you for the trust placed in us.

Milan, 13 March 2025
The Chairman of the Board of Directors
Matteo Monfredini

# 10. Report by the Board of Auditors to the shareholders' meeting



**REPORT BY THE BOARD OF AUDITORS
TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 2429, paragraph 2 of the Italian Civil Code,
FINANCIAL STATEMENTS AS AT 31.12.2024**

To the Shareholders' Meeting of GROWENS SPA
This Report has been approved by the board in time for its deposit at the Company's office within 15 days prior to the convening of the Shareholders' Meeting to approve these financial statements.
The administrative body has made the following documents available, approved on 13/03/2025 relative to the financial year ended on 31/12/2024:

- draft financial statements, complete with Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Notes;
- Report on Operations.

The layout of this report is in accordance with the provisions of law and rules of conduct of the board of auditors issued by CNDCEC.
The Financial Statements is certified by BDO ITALIA Spa, appointed by the Shareholders' Meeting on 20.04.2023 until approval of the Financial Statements at 31.12.2025.
The Board of Statutory Auditors in office at the date of this Report took office following its appointment at the same Shareholders' Meeting of 20.04.2023: in this regard, please note that its term of office will end with the Shareholders' Meeting convened for the approval of the Financial Statements as of 31/12/2025.

**General introduction**

The Board of Auditors already mentioned in the previous report to the financial statements that the administrative body has chosen to adopt, as from FY 2016, the international accounting standards IAS/IFRS.
The Board of Auditors acknowledges that during the year, for all Auditors, on the basis of the declarations made by the Auditors and information that is in any case available, it has assessed both the lack of any grounds for forfeiture, ineligibility and incompatibility as envisaged by articles 2382 and 2399 of the Italian Civil Code and by article 148 of Italian Legislative Decree 58/9, and compliance with the independence requirements established by the law, on the basis of the criteria set forth by the Rules of Conduct of the Board of Auditors, drafted by the Italian National Board of Chartered and Certified Accountants. In particular, it is acknowledged that no events took place that may cause the requirement of independence to be lost with respect to the verification performed at the time of appointment.
No Auditor has had any interest, on their own behalf or for third parties, in a given operation carried out during the year.
This report therefore summarises the activities concerning the information envisaged by article 2429, par. 2 of the Italian Civil Code and, more specifically:
•the activities carried out in the performance of duties provided for by law;
•the observations and proposals regarding the financial statements, with particular reference to the possible use by the board of the derogation referred to in article 2423, par. 5 of the Italian Civil Code;
•the possible receipt of complaints from shareholders under article 2408 of the Italian Civil Code;
•the results of the financial year.
In any case, we remain at your disposal for further information on any aspects during the meeting discussion.

**Meeting attendance of the corporate bodies**

The Board of Auditors certifies that during the financial year 2024, the Board of Auditors held four meetings, attended one Shareholders' Meeting and seven meetings of the Board of Directors. Since the closure of the financial statements and up to the date of this report, the Board of Auditors has met once.
The activities carried out by the Board regarded, in terms of time frame and in both its current and previous composition, the whole year; during the year, the meetings were held regularly pursuant to article 2404 of the Italian Civil Code and specific minutes were duly prepared of said meetings, signed in acknowledgement of unanimous approval.

**Supervision of compliance with the law, the Articles of Association and the regulations and compliance with standards of correct administration**
By attending the meetings of shareholders and the Board of Directors, the Board of Auditors has monitored compliance with the provisions of the Articles of Association, the law and regulations, governing the operation and function of the Company's bodies and compliance with standards of correct administration. The frequency of the meetings of the Board of Directors, the average percentage attendance by Directors and meeting duration were appropriate and no significant resolutions were passed without suitably informing the Directors and Auditors. The Board of Auditors verified that all resolutions were passed in the interests of the Company and supported by suitable documentation.
The disclosure obligations relating to regulated or inside information or that required by the Supervisory Authorities, were duly fulfilled.
*Information on the overall activity carried out by the Company and its subsidiaries*
The Board of Auditors has acquired suitable information from the Directors, at least once a quarter, on the activities pursued by the Company in the various sectors in which it operates, including through subsidiaries, and on the most important operations in terms of profit and loss, cash flows and the financial position. Also on the basis of the information flows acquired as part of its supervisory activities, the Board of Auditors has successfully ascertained that the action resolved and implemented was compliant with the law and the Articles of Association and not evidently imprudent or risky, in potential conflict of interests or in conflict with resolutions passed by the Corporate Bodies or such so as to risk the integrity of the Company's assets. The Board of Auditors has also monitored compliance with the Guidelines, Standards of Conduct and Procedures in force in the Group, as well as compliance with the processes whose outcome is submitted to the attention of the Directors and on which they resolve.
The Board of Auditors has acquired knowledge of and monitored, insofar as it is competent to do so, compliance with standards of correct administration, including through the information received directly from the parties responsible for the various corporate departments and the Independent auditing firm.
On the basis of the information acquired during the supervisory activities, it has been seen that the operations of greatest importance in terms of profit and loss, cash flows and financial position carried out by the Company, including through direct or indirect subsidiaries, were the following:

- the US subsidiary BEE Content Design, Inc. ('Beefree') entered into an asset purchase agreement subject to US law to govern the acquisition of the email design business of the US-registered company Really Good emails, Inc. (RGE);
- Authorisation for the purchase and disposal of treasury shares pursuant to article 2357 of the Italian Civil Code.
- Capital increase completed in respect of Beefree for a total amount of U$D 13.5 million by offsetting the US subsidiary's debt related to intercompany services provided by the parent company.

All the above operations have been suitably explained and presented during the meetings of the Board of Directors called to pass the related resolutions and fully explained in the Report on Operations for FY 2024, which also provides a complete update on the evolution of the reference legislative framework.

*Market abuse legislation*

The Board of Auditors monitored the fulfilment of the duties connected with Market abuse legislation regarding corporate disclosures and internal dealing (whose procedures were reviewed and updated in 2024), with specific reference to the processing of inside information and the procedure for issuing press releases and public information. More specifically, the Board of Auditors has monitored compliance with provisions on the update of the Register of persons having access to inside information.

*Supervisory activities regarding transactions with subsidiaries*

The provisions issued to subsidiaries suffice to guarantee the timely fulfilment by the latter of the disclosure obligations laid down by the law.

The Board of Auditors has examined and assessed the document of verification and updating, both of the areas in which the management and coordination of the parent company take place and of the companies with regard to which said activities are carried out, verifying compliance with the applicable provisions of articles 2497 ff of the Italian Civil Code.

*Supervisory activities of infra-group and related party transactions*

As concerns infra-group transactions, the Directors have highlighted, in the Notes to the financial statements and the Report on Operations, just as in previous years, the existence of commercial and financial relations between the Group companies, specifying that said transactions are part of ordinary operations and regulated at market conditions.

Related party transactions refer almost entirely to operations carried out with the aim of rationalising business and ensuring cost effectiveness with subsidiaries and associates; these come under the scope of ordinary operations, are settled at arm's length and are explained in the Report on Operations and Notes to the financial statements.

*Opinions given by the Board of Auditors*

The Board of Statutory Auditors has expressed the following opinions during the financial year and in its current composition: a) grounded proposal for the assignment of the auditing engagement pursuant to article 13 Legislative Decree No. 39/2010; b) the legitimacy and merit of awarding an extraordinary bonus to executive directors.

*Supervision of the suitability of the organisational structure*

The Board of Auditors has been suitably informed of all interventions on the Group's organisational structure, developed according to standards of coherence between form and substance, verifying that the decision-making structure of the Company coincides with the delegations assigned.

*Requirements connected with Legislative Decree no. 231/2001*

With reference to the organisational and procedural activities implemented in accordance with and pursuant to Legislative Decree no. 231/2001 for the administrative liability of entities for the crimes envisaged by the legislation, the Board of Auditors has acknowledged, both during the meetings with the Supervisory Body and in the regular reports prepared by said Body on the activities carried out, that no significant critical issues have emerged concerning the implementation and effectiveness of the Organisation, Management and Control Model.

*Privacy regulations*

During the financial year, the Group adequately applied its security policies in order to ensure a proper level of protection of personal data subject to processing in application of the regulatory changes introduced by the new EU Regulation 2016/679 on data protection, which came into force in all European countries on 25/05/2018, known as GDPR (General Data Protection

Regulation): to this end, it should be noted that the company has formally appointed ICTLC S.p.a. a company using the expertise of ICT Legal Consulting and ICT Cyber Consulting, as Data Protection Officer, and has provided the contact details of the Data Protection Officer to the relevant supervisory authorities in accordance with the law.

**Supervision of the suitability of the administrative-accounting system**

With reference to the supervisory activities regarding the suitability of the administrative-accounting system and its reliability in terms of providing a correct representation of management events, the Board of Auditors acknowledges that it has received suitable information on the monitoring of business processes with an administrative-accounting impact under the scope of the Internal control system, carried out both during the year in connection with the regular reports on operations and during the closure of the accounts in order to prepare the financial statements. The suitability of the administrative-accounting system was also assessed through the acquisition of information from the managers of the respective departments and the analysis of the results of the work carried out by the Independent auditing firm.

The Board of Auditors has monitored compliance with the legislation on the preparation and publication of the Interim Report and Interim Reports on Operations and on the structure given to them and the correct application of accounting standards, also using the information obtained from the Independent auditing firm.

**Omissions or inappropriate actions**

Following the supervisory and control activities carried out during the year, the Board of Auditors can certify and note that:

- during the course of its activities, no omissions or irregularities or inappropriate actions or in any case significant actions worthy of note took place, which would need to be reported to the control bodies or described in this report;
- we have not filed any reports to the administrative body pursuant to Article 25-octies of Legislative Decree No. 14/2019;
- the Board of Auditors did not receive any notifications in accordance with article 2408 of the Italian Civil Code or any claims made by third parties;
- no transactions were identified, either with third parties or infra-group and/or with related parties, that suggest any atypical or unusual elements, in terms of content, nature, dimensions and time frame.

**Supervision of the statutory auditing of the accounts**

During the year, regular relations were engaged in with the Independent auditing firm, both through formal meetings also attended by the Company's administrative managers and informal meetings between individual members of the Board and representatives of the Independent auditing firm, in order to allow for a mutual exchange of significant data and information, in compliance with the provisions of article 150 of Italian Legislative Decree 58/98. Complete collaboration was afforded at all times, including as regards the preparation of the annual financial statements and no critical issues worthy of mention were noted.

**Supervisory activities with regard to the annual and consolidated financial statements**

As regards the annual financial statements, please note the following:

– the Board of Auditors has ascertained, through direct checks and information obtained from the Independent auditing firm, due compliance with the provisions of law governing the preparation and structure of the financial statements and Report on Operations, the tables of the financial

statements used, certifying the correct use of accounting standards as described in the Notes to the financial statements and Company's Report on Operations;
– the Notes to the financial statements give, where necessary, the information required by the international accounting standards on impairment. Compliance of the impairment testing procedure with the requirements of IAS 36 and the Joint Document prepared by the Bank of Italy/Consob/Isvap no. 4 of 3 March 2010 was adequately assessed by the Board of Directors in the meeting held on 13.03.2025. The Board of Statutory Auditors shared the assessments made by the Directors.
The financial statements are compliant with the events and information of which the Board of Auditors has become aware under the scope of the exercise of its duties of supervision and its powers of control and inspection.
The Report on Operations meets legal requirements and is coherent with the data and results of the financial statements; it provides an extensive disclosure on the important activities and operations, of which the Board of Auditors had been promptly made aware, and on the main risks of the Company and subsidiary companies and on infra-group and related party transactions.

**Observations regarding the annual financial statements and their approval**

The draft financial statements for the year ended on 31 December 2024 have been approved by the administrative body and consist of the Balance Sheet, Income Statement, Notes and Cash Flow Statement. Moreover:
•the documents were delivered to the Board of Auditors in time to allow for their deposit at the Company's office complete with this report, regardless of the terms envisaged by article 2429, par. 1 of the Italian Civil Code,
•the Independent auditing firm has issued its report in accordance with articles 14 and 16 of Legislative Decree no. 39/2010, stating that the annual financial statements as at 31 December 2024 are compliant with the International Financial Reporting Standards - IFRS - adopted by the European Union and the provisions issued in implementation of article 9 of Italian Legislative Decree no. 38/2005 and have been prepared clearly, providing a truthful, correct representation of the equity and financial position, the economic result and cash flow of GROWENS S.p.A. for the year ended as at that date.
The auditing report gives opinions on the consistency with the financial statements of the Report on Operations and information on the Corporate Governance Report pursuant to article 123-bis of Italian Legislative Decree 58/98.
The draft financial statements were therefore further examined, regarding which the following additional information is provided:
•the Board has expressed its consent to the recognition as intangible assets of the development costs for Euro 81,778 in relation to the implementation of strategic software tools for the company and the Group of proven future utility;
•as already mentioned, the Company has adopted the international accounting standards IAS/IFRS as from 2016. To this end, the Board of Auditors has ascertained the suitability, in terms of method, of the impairment testing process implemented to ascertain that assets are booked at a value that does not exceed their recoverable amount and that, therefore, they have not suffered impairment to be recognised at the date of year-end close. The Board of Auditors agreed with the Board of Directors' assessment regarding not applying these measurement processes (impairment test), since there were no signs of a loss of value of intangible assets.

**Period result**

The net result ascertained by the administrative body in relation to the year ended on 31/12/2024 is positive for Euro 2,161,469.

For all that is explained in this report, the Board of Auditors has no observations to make regarding the approval of the financial statements as at 31 December 2024 and the proposal made by the Board of Directors as to the allocation of the period profit.

**Conclusions**

On the basis of the foregoing and insofar as the Board of Auditors is aware and as has been seen from the regular controls performed, it is unanimously agreed that there is no reason why you should not approve the draft Financial Statements for the year ended on 31.12.2024 as they have been prepared and proposed to you by the administrative body.

Cremona, 31.03.2025
The Board of Auditors
Michele Manfredini (Chairman)

Donata Patrini (Regular auditor)

Fabrizio Ferrari (Regular auditor)

# 11. Independent Auditors' Report on the Separate Financial Statements

## GROWENS S.P.A.

Independent auditors' report in accordance with article 14 of legislative decree n. 39 of January 27, 2010

*Financial statements as of December 31, 2024*

*This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*

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# Independent auditors' report
in accordance with article 14 of legislative decree n. 39 of January 27, 2010

To the Shareholders of
Growens S.p.A.

## Report on the financial statements

### Opinion

We have audited the accompanying financial statements of Growens S.p.A. (the "Company"), which comprise the balance sheet as of December 31, 2024, the income statement and statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31, 2024, of the result of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this report. We are independent of the Company in accordance with ethical requirements and standards applicable in Italy that are relevant to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of directors and those charged with governance for the financial statements

The Directors of Growens S.p.A. are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the limits of the law, for such internal control as directors they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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## Report on other legal and regulatory requirements

**Opinion and statement pursuant to article 14, paragraph 2, letter e), e-bis) ed e-ter) of Legislative Decree n. 39/10**

The directors of Growens S.p.A. are responsible for the preparation of the report on operations of Growens S.p.A. as of December 31, 2024, including its consistency with the financial statements and its compliance with the applicable law.

We have performed the procedures specified in Auditing Standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on the compliance of the report on operations with the applicable law;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Growens S.p.A. as of December 31, 2024.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to article 14, paragraph. 2, letter e-ter), of Legislative Decree n. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 31, 2025

BDO Italia S.p.A.
*Signed in the original by*
Vito De Laurentis
Partner

*This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*