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