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		
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

Matteo Monfredini