

Consolidated Half-Year Report as at 30 June 2024

prepared in accordance with IAS/IFRS accounting standards
- Figures in Euro -

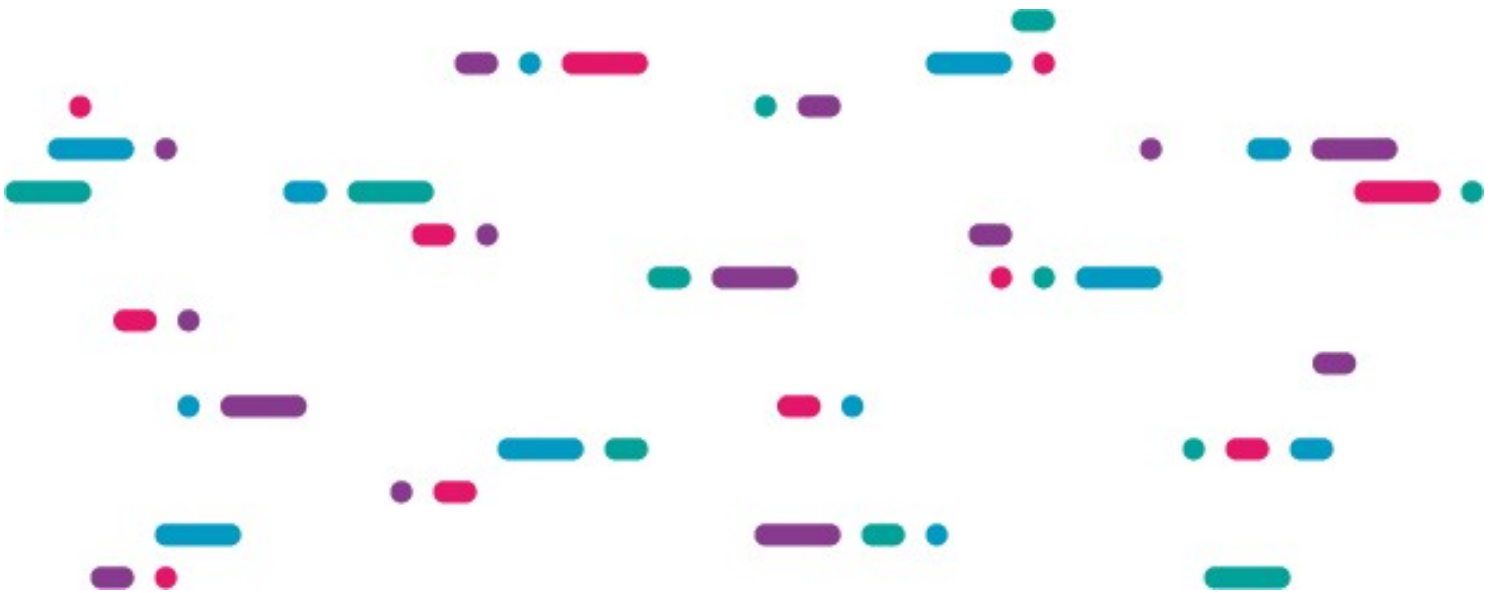


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Corporate Bodies

Board of Directors

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

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

Board of Statutory Auditors

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

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

Independent auditing company

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

BDO Italia S.p.A.

1. Growens Group

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

1. Software-as-a-Service (“**SaaS**”), comprising the development and marketing of Cloud services offered to its customers, with particular focus on content design. These services are performed by the subsidiary Bee Content Design Inc. (hereinafter “Beefree” or “Bee Content Design”), which operates with over 1 million free users, over 9,400 customers;
2. Communication Platform as-a-Service (“**CPaaS**”), through its subsidiary Agile Telecom S.p.A. (hereafter “Agile Telecom”), which develops and sells technologies for the mass sending of SMS, for marketing and transactional purposes, benefiting from numerous interconnections to B2B operators.

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

Growens Group structure

the Group as at 30 June 2024 can be represented as follows:



Growens holds a 100% stake in Agile Telecom, while in its US subsidiary Bee Content Design it holds a controlling interest of 96.9%.

Bee Content Design Inc., with HQ in San Francisco, organised according to the dual company model, with a business team located in the United States, and a technological team located in Italy, is focused on the development and commercialisation of the innovative content editor Beefree. The Business Unit's products and brands were rebranded in 2023, with the renaming of BEEPro to **Beefree** and BEEPlugin to **Beefree SDK**. The evolution of the brand reflects two established key points in the company's recent history: growth beyond e-mail editing and its commitment to creating limitless content for all. Beefree is indeed active in the field of no-code tools for designing e-mails, landing pages, pop-ups and other digital content. Beefree has expanded its reach to include advanced artificial intelligence capabilities, collaboration tools and further integrations, also expanding its user base. Beefree tools for designing e-mail and other digital content are now used by more than 400,000 single users every month in over 190 countries, and have also been adopted by giants such as Amazon, Google and Novartis. Directly on beefree.io, there are more than 43,000 monthly customers, including freemium customers, and Beefree SDK solutions have been integrated into more than 1,000 third-party applications, consolidating its presence in the digital landscape. For the Group, Beefree is the engine for future growth, following the divestment of the Email Service Provider business in 2023 and the sale of Datatrics BV. On 15 April 2024, Beefree signed an asset purchase agreement (APA) concerning the acquisition of the email design business of the US company Really Good Emails, Inc. ("RGE"). RGE owns a website and related software that offers an extensive collection of email templates. The synergy between the RGE website's email catalogue, which allows users to take inspiration for the creation of their own campaigns, and the 'Beefree' software, which in turn allows them to design email campaigns, will thus enable the US subsidiary to expand its audience and consequently the number of its customers. Further details on this transaction are provided later in this Report;

Agile Telecom S.p.A., with registered office in Carpi (MO), is an operator authorized by the Ministry of Economic Development and Communication to offer a public communication service (OLO - Other Licensed Operator) and is also registered with the Register of Operators in Communication (ROC) held by the Italian Authority for Telecommunications Guarantees (AGCOM). Agile Telecom is a leader in the Italian wholesale SMS market and manages the sending out of promotional and transactional A2P messages (One-Time Password, notifications and alerts). Agile Telecom is also



strengthening its position in the digital communications sector, expanding its portfolio with advanced CPaaS (Communications Platform as a Service) solutions such as Mobile Number Portability (MNP), termination via RCS (Rich Communication Services) and further developing channels such as Telegram Business and WhatsApp for Business.

2. Summary data

Significant events in the half-year ended as at 30 June 2024

In HY1 2024, the activities of the Group were characterised by the events indicated below.

On 22 January 2024, Growens announced the appointment of Justine Jordan as Head of Strategy & Community at Beefree. In her new role, Justine Jordan has joined the Management Team reporting directly to Beefree CEO, Massimo Arrigoni, with responsibility for guiding the company's strategic choices and ensuring top management's alignment to key decisions, ensuring that all employees are fully involved in strategic objectives and driving community-focused initiatives.

Throughout her career, Justine Jordan has contributed significantly to the evolution of the email marketing industry. Named Email Marketer Thought Leader of the Year in 2015, she has led the marketing of high-growth B2B SaaS companies, contributing to successful results (such as Salesforce's acquisition of ExactTarget) and holding key roles in companies such as Wildbit, Litmus, Help Scout, Postmark and ActiveCampaign.

On 19 March 2024, the Board of Directors resolved to propose to the Shareholders' Meeting the distribution of an extraordinary dividend in the total amount of Euro 20,040,249, equal to Euro 1.58 per share, to be paid as follows: (i) first tranche - Euro 0.79 per share deriving from the distribution of extraordinary profits - payment date 8 May 2024, ex-dividend date 6 May 2024 and record date 7 May 2024; (ii) second tranche - Euro 0.79 per share deriving from the distribution of extraordinary profits - payment date 4 September 2024, ex-dividend date 2 September 2024 and record date 3 September 2024. The ordinary Shareholders' Meeting ratified the proposal on 18/04/2024.

On 15 April 2024, the Company announced that its US subsidiary BEE Content Design, Inc. ('Beefree') entered into an asset purchase agreement subject to US law to govern the acquisition of the email design business of the US-registered company Really Good emails, Inc. (RGE).

RGE owns, among other things, a website and related software that offers an extensive collection of email templates. The synergy between the RGE website's email catalogue, which allows users to take inspiration for the creation of their own campaigns, and the

'Beefree' software, which in turn allows them to design email campaigns, will thus enable the US subsidiary to expand its audience and consequently the number of its customers.

The transaction involved the sale and purchase of RGE assets, including, in particular, the company's website, related software, customer contracts and brands used in the conduct of business, for a purchase price of up to USD 600,000, plus an earn-out component of up to USD 6 million if certain profitability targets are achieved over the three-year period 2024-2026.

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

3. Summary report

Highlights Consolidated Income Statement

Description	30/06/2024	30/06/2023*	Change
Total revenues	36,903,719	35,635,998	1,267,721
EBITDA	(689,896)	280,625	(970,521)
Pre-tax result (EBT)	(1,960,955)	(2,876,450)	915,495

* the comparison column of the Income Statement includes the former subsidiary Datatrics BV in the scope of consolidation as per the Half-Year Report 30/06/2023 approved on 18/09/2023 - it also applies to the following statements

Highlights Consolidated Balance Sheet

Description	30/06/2024	31/12/2023	Change
Fixed assets	25,117,662	23,343,615	1,774,047
Current assets	44,840,273	58,857,332	(14,017,060)
Current liabilities	30,080,011	20,749,589	9,330,421
Consolidated liabilities	4,609,976	4,582,525	27,452
Shareholders' equity	35,267,948	56,868,834	(21,600,886)

4. Consolidated Half-Year Report on Operations as at 30 June 2024

Introduction

This Report on Operations is presented for the purposes of the Consolidated Half-Year Report of the Growens Group prepared in accordance with International Accounting Standards (IAS/IFRS) adopted by the EU.

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

With reference to the consolidated financial statements, marked by uniformity of valuation criteria and by the line-by-line consolidation method, the scope of consolidation is specified as follows (data as at 30 June 2024):

Company name	HQ	Share capital	Percentage of ownership
GROWENS S.p.A.	Milan	Euro 384,834	parent company
AGILE TELECOM S.p.A.	Carpi (MO)	Euro 500,000	100%
BEE CONTENT DESIGN Inc.	United States of America	Euro 43,295*	96.1%

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

Economic Framework HY1 2024*

At the beginning of 2024, signs of a strengthening global economy emerged, with growth driven by services and, to some extent, manufacturing. In the US, consumption remained robust and employment grew more than expected. In China, industrial activity expanded, while domestic demand remains weak, fuelling trade imbalances with advanced countries. According to IMF and OECD estimates, world GDP will grow by just over 3% in 2024, held back by restrictive monetary policies, while world trade will expand by 2.2%. The main downside risks for the global economy are related to the escalation of ongoing conflicts.

In the US and UK, disinflation came to a halt in the first months of the year, leading to the stabilisation of interest rates by the Federal Reserve and the Bank of England, which kept rates unchanged for the seventh consecutive meeting in June. The Bank of Japan also kept rates unchanged, breaking the yield curve control. Investors postponed the expected

monetary easing in the US, while in the Euro area, financial conditions were affected by political uncertainty in France.

Euro area GDP stagnated due to weakness in industry, with signs of recovery in services. Disinflation eased, mainly due to sustained dynamics in service prices. The ECB forecasts inflation to decrease to 2.5% in 2024, reaching 2.2% in 2025 and 1.9% in 2026. The ECB kept rates unchanged in April, but cut them by 25 basis points in June, maintaining a data-driven approach to ensure inflation returns to its medium-term target.

In Italy, economic activity grew moderately in the first quarter of 2024, buoyed by services, especially tourism, which benefited from the good spending trend of foreign travellers, however with a downturn in manufacturing and construction. The current account balance remains positive, thanks to the mercantile surplus and higher net purchases of Italian securities by foreign investors. Employment increased, with historically low unemployment rates. Wages are on the rise thanks to contract renewals. Inflation is low, with a slower decline in services due to high demand in tourism.

The cost of credit remains high, dampening demand for loans. The downturn in corporate lending continues, influenced by the high cost of credit and banks' perception of risk. The European Commission has announced its intention to open excessive deficit procedures against five Euro area countries, including Italy. Despite the reduction of the deficit compared to 2023, the deficit ratio is expected to remain above 3% of GDP in 2024 and 2025. With regard to the National Recovery and Resilience Plan, the Italian government requested the payment of the sixth instalment at the end of June and the European Commission preliminarily approved the application for the fifth instalment.

Italian GDP is projected to grow by 0.6% in 2024, 0.9% in 2025 and 1.1% in 2026, with inflation below 2%. Overall inflation will remain low and the core component will decline slightly. According to the companies, consumer inflation will remain below 2% in the short to medium term, with low values at 1.1% in 2024 and just over 1.5% in 2025-26.

* Source: Economic Bulletin 2-3/2024 - Bank of Italy

The Group

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

Main events of HY1 2024

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

GROW share performance in HY1 2024 and Investor Relations activities

Below is some data on the prices and volumes of the Growens share (GROW) in HY1 2024

Placing price	Euro 1.92*	29/07/2014
Maximum price 1H 2024	Euro 7.50	07/05/2024
Minimum price 1H 2024	Euro 4.62	23/02/2024
Price at period-end	Euro 7.02	28/06/2024

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

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

The maximum price recorded on 7 May 2024 at Euro 7.50, equal to the new historical maximum recorded by the stock, and the end-of-period price at Euro 7.02 were respectively approximately 56% and 46% higher than the first price of the year (Euro 4.80 on 2 January 2024).

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

Month	Weighted average price €	Average daily volume #
January 2024	4.79	9,299
February 2024	4.65	11,790
March 2024	5.26	21,086
April 2024	6.2	26,069
May 2024	7.08	31,320
June 2024	6.89	8,864



GROW.MI - trend in price and volumes January-June 2024 - Source www.borsaitaliana.it

In the HY ended 30 June 2024, in 5 trading sessions, volumes traded exceeded 50,000 units, of these, in 4 sessions, exceeding 100,000 units, with a maximum recorded on 03/05/2024 (237,009 shares traded). In general, daily volumes traded in the period averaged about 18,300 units, lower than the approximately 30,000 average daily units traded in the same period in 2023. In only one trading session, there were no trades.

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

The Investor Relations Officer therefore meets the Company's external communication requirements and, by performing his activities, also in coordination with other Company and

Group functions, aims to enhance the perception of Growens' business activities, strategies and future outlooks by financial operators, particularly professional, Italian and foreign institutional and qualified investors.

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

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

In HY1 2024, a total of 7 financial press releases were issued. All accounting and financial documentation and press releases generated by the Group are drafted and published in both Italian and English and made available on the website www.growens.io, which is also fully available in both languages on a voluntary basis.

The CEO and Investor Relations Officer periodically participate in both individual and group presentations and meetings to present the Group and its performance. The updated presentations are published on the website. For example, in HY1 2024, the Group participated in a conference, held in virtual mode, meeting 8 current and potential investors. Every month, investors who have requested it receive a newsletter providing the main financial news.

The Group also receives assistance from two corporate brokers, who generate independent research and support the Company in its financial sales and marketing activities, helping to spread its equity story and generate contacts with current and potential investors. Equity research reports, all drafted in English, are available on the website in the section www.growens.io/en/analyst-coverage/.

In HY1 2024, 8 equity research reports were published.

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

The Marketing Technology (MarTech) Market

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

The MarTech sector, valued at USD 669.3 billion in 2023, continues to expand despite economic uncertainties and rapid technological advances. Factors such as geopolitical tensions, data privacy regulations and the revolutionary impact of artificial intelligence (AI) are bound to define the industry's trajectory. The current value of MarTech is estimated at USD 670 billion, a staggering 31.5% increase over 2023. Innovations such as artificial intelligence, machine learning and automation are responsible for much of the growth.

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



Source: martech.org

The MarTech ecosystem in the year 2024 is populated by some 14,106 pieces of software, an impressive figure that becomes even more significant when put into context. With reference to 2023, there was an increase of about 28% compared to previous years, with a compound annual growth rate of 41.8%. The MarTech landscape continued to expand for the 13th consecutive year, with a net addition of 3,068 products compared to last year's 11,038. This represents an exceptional growth of 27.8% over the previous year. From 2011

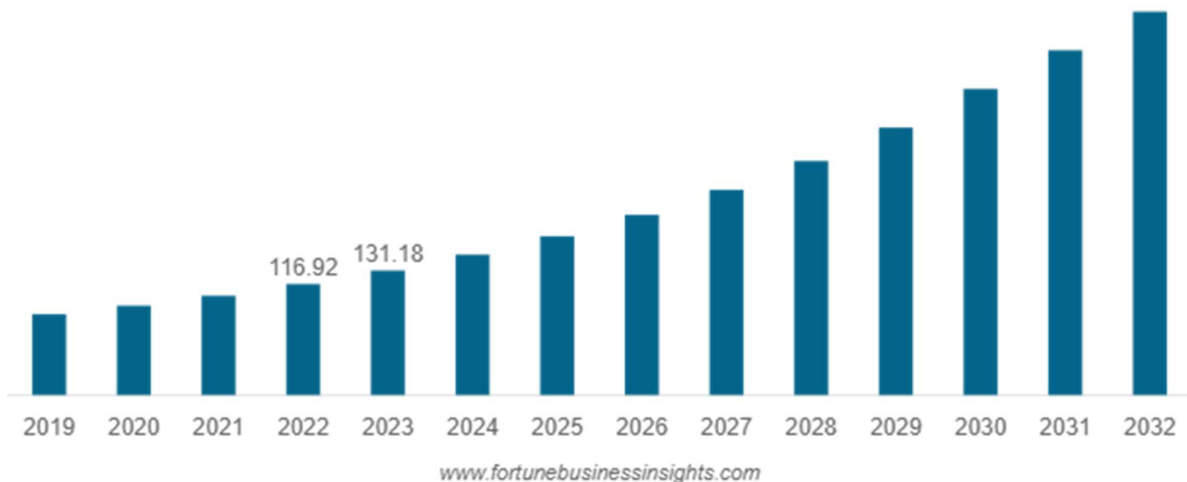
to today's scenario, the number of MarTech products on the market has increased tremendously by 9,304%. Standardising this increase over the past 13 years gives a Compound Annual Growth Rate (CAGR) of 41.8%.

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

The global Software as a Service (SaaS) market was valued at over USD 273 billion in 2023 and is expected to grow over USD 317 billion in 2024 to reach USD 1,228.87 billion by 2032, with a compound annual growth rate (CAGR) of 18.4% during the forecast period (2024-2032). In 2023, the market value of North America, of which Beefree is a part, amounted to USD 131.18 billion.

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

North America Software as a Service (SaaS) Market Size, 2019-2032 (USD Billion)



MarTech overview: ample, complex, fragmented and segmented

Technology and traditional off-line marketing have found common fertile ground and opportunities of contamination that have led to the proliferation of cloud strategies, solutions and tools that make up the ecosystem of MarTech.

In the extremely complex and fragmented context of the MarTech market it is possible to identify 6 main sub-segments:

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

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

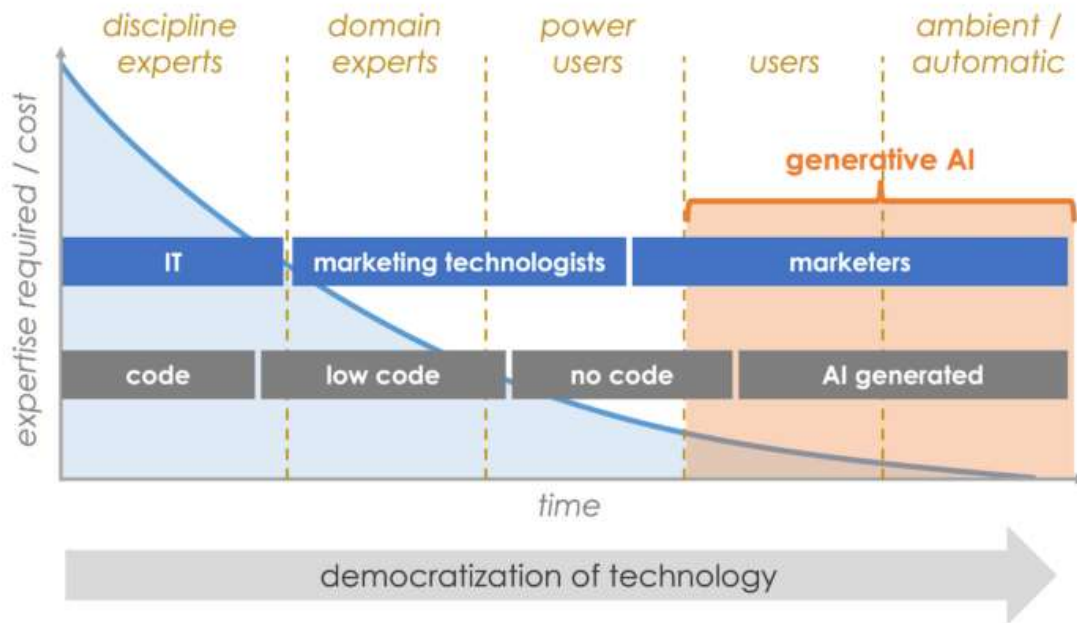
Currently, MarTech accounts for about 30% of marketing budgets, and many current or potential client companies plan to increase this expenditure even further in the near future. The main driver for this increase is the improvement of the client experience. Investing in MarTech, in fact, is key to enhancing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

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

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

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

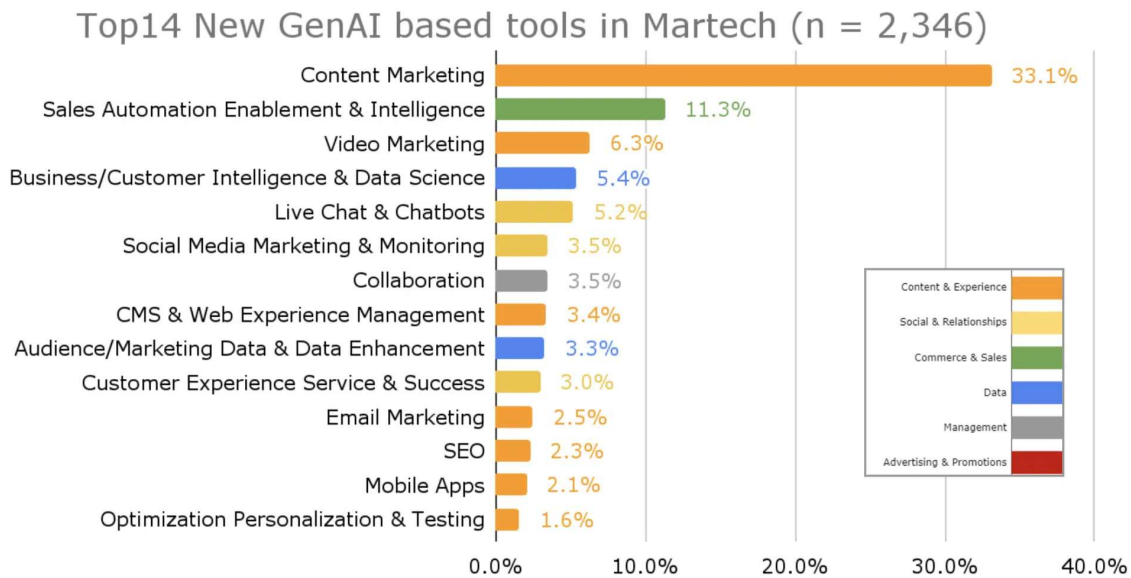
The significant role of AI in driving innovation and efficiency in martech cannot be overestimated. With substantial investments by technology giants and start-ups, AI is set to revolutionise marketing strategies and tools, offering new capabilities in content generation, predictive analytics and advanced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



Source: chiefmartech.com

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

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



Source: martech.org

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

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

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

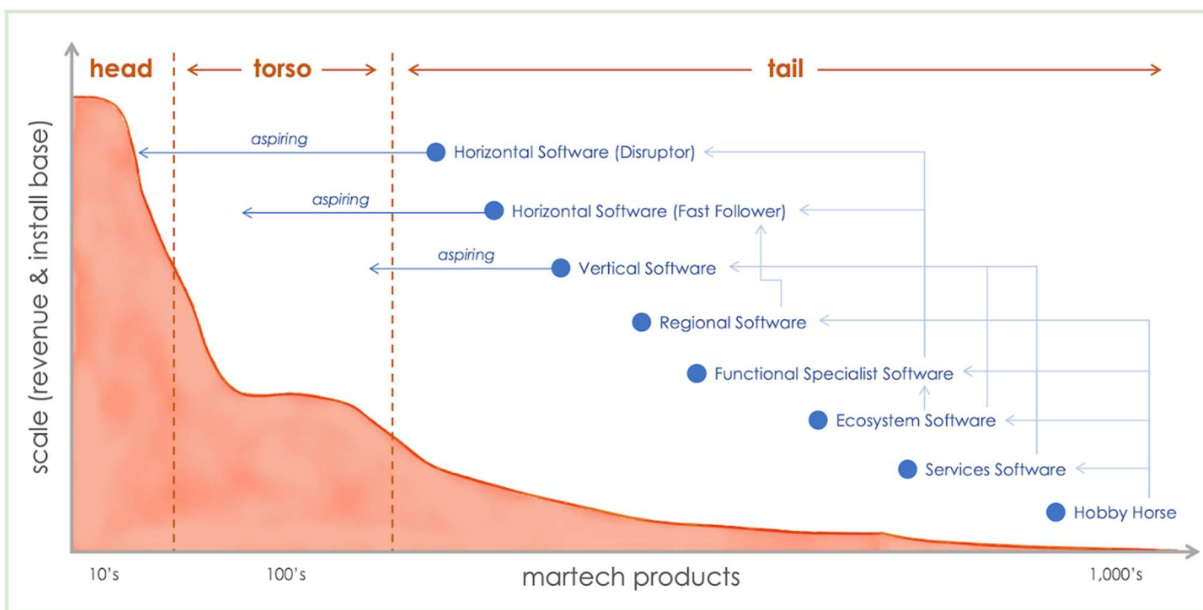
The most appropriate segments for the Growens Group within the MarTech ecosystem are the following:

- 1. Content Design Segment:** e-mails represent one of the most popular tools to convey digital marketing campaigns, being in fact particularly cost-effective and allowing to achieve high conversion rates in the various stages of the customer acquisition funnel. Technological evolution has also made it possible to enrich their design and improve their functionality. Despite the competition from other communication tools (instant messaging platforms, chat, social networks) e-mail is absolutely central in digital marketing strategies, both in B2B relationships between companies, between company and consumer, but also between organisation and citizen, or between school and students. The pervasiveness of digital communication at every level and at every age has opened up the market for the so-called democratisation of design, which consists of making digital content creation tools (videos, images, animations, e-mails, web pages, etc.) available to everyone, even without any technical training and with low or no costs. In this market, Beefree represents one of the leading players specialising in the creation of graphical e-mail templates, overcoming the limitations of traditional e-mail marketing applications in terms of greater flexibility and control, greater compatibility with the complex multidimensional device/operating system/charset/e-mail client matrix, and greater possibilities for collaboration, even in real time.
- 2. Mobile Messaging Segment:** includes SMS messages which, despite the almost daily proliferation of new technologies in the world of smartphones, remain one of the most effective methods of communication in the case of time-sensitive information such as passwords and single-use codes for specific operations (OTP and transactional messages in general), real-time updates, alert and emergency messages (e.g. weather, health situation) - emblematic in this sense is the frequent use by public authorities - or simply special offers of limited duration, as they have the highest percentage of opening combined with a high effectiveness in determining a reaction from the recipient. For this reason, despite the undeniable popularity of alternative messaging channels such as WhatsApp, SMS and their RCS evolution will maintain a key role in business communication for specific uses, related for example to the continuous growth of online shopping, to the increasingly frequent use of multiple authentication methods (e.g. 2 Factor Authentication) in banking or cloud-based and mobile applications.

Competitors' behaviour

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

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



Source: chiefmartech.com

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

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

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

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







































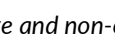







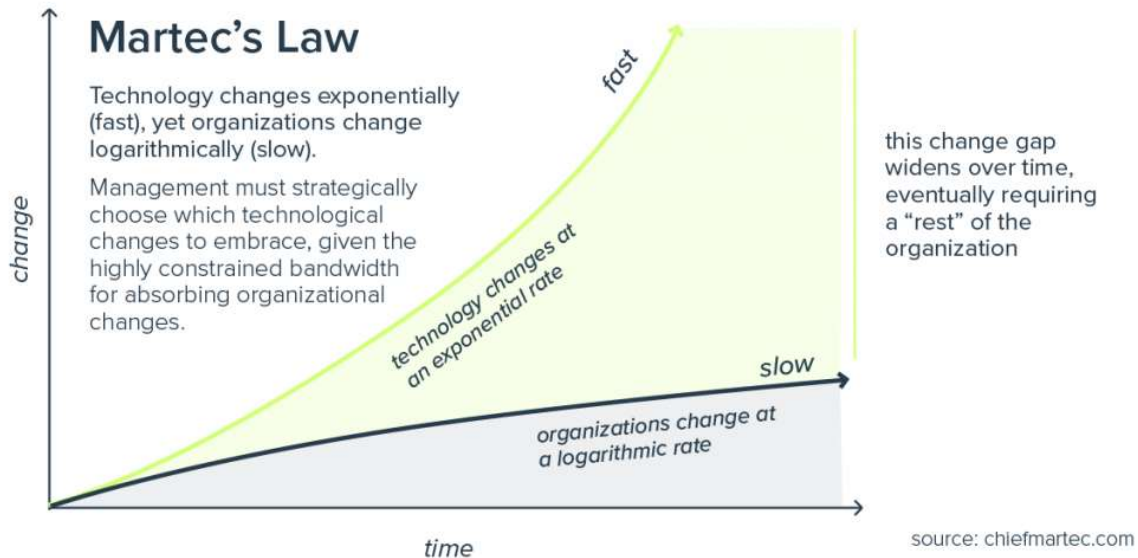
	Agile Telecom	Beefree
Italy	  	Beefree app for email designers)
Europe	     	                          
Others	     	Beefree SDK (for SaaS companies)        Beefree indirect competitors <ul style="list-style-type: none"> • Marketing automation solutions • Graphic suites (Adobe, Canva...) • Landing page / CMS (Unbounce, Webflow...) • Email Service Providers (Mailchimp, Brevo...)

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

Market concentration: the probable scenario in the immediate future

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



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

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

MarTech is a market that is still in full evolution, as demonstrated by the very high number of operators present. The phenomena of concentration and aggregation through M&A operations are very frequent and of increasing importance. The number of incoming companies is still higher than those outgoing and this can mean prospective growth, but also increasingly complex challenges for the players already present.

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

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

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

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

Software as a Service (SaaS) Market Trends

Integrating AI and ML to Stimulate Market Growth

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

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

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

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

Beefree, the drag-and-drop editor for email, pop-ups and landing pages owned by subsidiary BEE Content Design, Inc., continues its growth path both as a component to be integrated into other software applications (Beefree SDK), and as a complete email and landing page creation suite designed for freelance designers, digital agencies, and corporate marketing teams (Beefree App), as a 'Product-Led' growth strategy with a free version on beefree.io, completely frictionless at the entrance. The growing usage numbers make the company's goal of becoming a global standard in email creation increasingly concrete: during the first half of 2024, there were over 63 million sessions using Beefree design tools in over 1,000 applications and with a monthly average of around 430,000 users, recording an increase of over 38% on the first half of 2023. May 2024 saw a record number of sessions (around 11.5 million), up 43% on May 2023. During the same period, the Group continued - and accelerated - its investment in product development. More specifically:

Beefree App: the growth strategy based on the product-led approach has been confirmed and expanded, where the product is at the centre of all phases of customer acquisition, conversion, growth and maintenance. The launch of the free version in the spring of 2022 allowed for a continuous increase in users, with the result that in the first half of 2024, Beefree users created about 1,670,000 emails and pages. The business model uses an approach called "enterprise freemium": a free version is provided that helps the penetration of the use of the software itself not only in small and medium-sized enterprises, but also in large companies. The latter, in the course of time, as the free use of the software within them increases, often decide to move to a paid version in order to have more control over access security, the management of specific user permissions assigned to various users, control of data flow, access to higher levels of technical support, and so on. The revolutionary part of this approach lies in the fact that product adoption happens from the bottom up, with very low acquisition costs as it is often the result of organic word-of-mouth. In the case of Beefree, the adoption of the freemium model at the top of the acquisition funnel helped generate over 100,000 new client registrations. Over 43,500 people now use the Beefree App to design emails and web pages every month (H1 2024 average) and the increased use is producing results in terms of the "enterprise freemium" strategy described above: the number of clients with a turnover volume at least 10 times greater than the average has risen steadily throughout 2024, closing the first half of the year with a +112% compared to June 2023 (117 clients in this category vs 55 at the end of June 2023). The company is still at an experimental stage of strategy execution, and the bottom-up growth mode is by nature slow, as it is organic. However, the evolution of the business bodes well for its future, and new talent has been added in the sales area and Growth Marketing, so that it can offer more sales support to customers as they expand their turnover. From the point of view of improving the top end of the Beefree marketing funnel, the marketing strategy continued, focusing on a few key segments where product adoption is particularly attractive. In H1 2024, this strategy focused on universities and digital agencies:

some of Beefree biggest clients are large US universities, and a series of “case studies” have been published on the company’s website at: <https://beefree.io/customer-stories>. This type of segment-focused marketing activity will be further extended in the remainder of 2024;

Beefree SDK: the embeddable version of the editor, that can be integrated using API into third-party applications, is confirmed as a market leader, with 632 paying customers at the end of June 2024 and a total of more than 1,000 applications using it. The difference between the two is the fact that a paying customer can use the editor in more than one application, and the fact that many small companies use the product taking advantage of the free plan (the “freemium” strategy is also used on Beefree SDK). In terms of client profile, the shift towards larger companies continues, reflected in the fact that the average monthly turnover per client at the end of June 2024 rose by around 20% compared to the same period a year earlier. That growth is expected to accelerate in the second half of the year due to the implementation of a price list increase. The adoption of Beefree SDK by increasingly large customers is a clear indication of the quality of the product. Beefree SDK is now used by more than 50% of the software included in the ‘Forrester Wave - Email Marketing Service Providers - 2024’ and 60% in the ‘Forrester Wave - Cross-Channel Marketing Hubs - Q1 2023’. Fuelling the market leader’s position is a continuous development of new features that guarantee an excellent user experience for the end user, and a great customisation capability for the product and development teams responsible for integrating the visual editor into the applications that host it. In addition, investments were made to allow the system to be installed in a dedicated environment (Virtual Private Cloud), an increasingly important requirement for high-end customers: there are now four major technology companies that have purchased Beefree SDK in VPC mode.

Synergistic relationship between the two versions of Beefree: we recall that, from a technical point of view, the Beefree App design suite accessible at beefree.io is a “customer” of Beefree SDK. It is in fact a software application that incorporates the editor for e-mails and web pages within it, integrating it via the Beefree SDK service. The integration of the OpenAI API within the Beefree SDK, for example, allowed the release of AI functionality to the over 43,000 monthly users of the Beefree application, generating immediate and fruitful feedback on the use of artificial intelligence within the company’s design tools.

Reference was repeatedly made to the purchase of the assets representing RGE business (APA), which was considered synergic for Beefree growth. The main asset is the RGE website and related software, which offers a large collection of email templates, divided into different categories (marketing emails, welcome emails, order confirmation emails, etc.) from which users can draw inspiration. The combination of the RGE extensive email catalogue with Beefree intuitive design tools has the potential to offer new opportunities to bridge the gap between inspiration and the creation of valuable content. The presence of more than 15,000 quality email templates has the potential to attract a broader audience for Beefree, including those who are not experts in design or content creation, allowing it to maximise its brand visibility and increase its pool of potential clients looking for intuitive and accessible

solutions. In over ten years, RGE has led campaigns for some of the biggest global brands and built a user community with over 220,000 newsletter subscribers and hundreds of participants in the 'Unspam' event that attracts email design experts and enthusiasts from all over the world. This community, and the dialogue that develops within it, makes it possible to investigate and sometimes anticipate market needs and trends, so as to orient and validate strategic research and development choices. This aspect is even more relevant in this period of paradigm shift linked to the spread of generative artificial intelligence technologies. The transaction represents a strategic opportunity to enrich the Beefree offer, improve the user experience, differentiate itself from competitors and expand its client base, thus contributing to the growth and success of the company and the Group. For more information, please refer to the website reallygoodemails.com.

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

Agile Telecom, on the other hand, operates in the CPaaS sector and in particular in the SMS wholesale market (SMS gateway / SMS aggregator) and sent a total of about 1 billion SMS in the first half of 2024 alone, serving among others a number of SaaS operators and large international operators who need to deliver SMS traffic in Southern Europe, particularly Italy, and to selected international routes.

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

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

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

Additional channels such as Telegram Business, WhatsApp for Business and others currently under analysis are also in development.

Social, political and union climate

The social climate within the Group is positive and based on full cooperation. The Group had already introduced for some time hybrid work (smart working), even before the February 2020 pandemic emergency, one of the cornerstones of its working philosophy oriented to flexibility and autonomy enshrined in the Growens WoW (Way of Working).

Operating performance in Group sectors

Consolidated total revenues for the first half of 2024 increased from Euro 35.6 million to 36.9 million, an increase of approximately 3.6% compared to the same period of the previous year. Please note that the figures for the first half of 2023 are not directly comparable, as they relate to a different scope of consolidation. The figures for the first half of 2023 include the results of the Datatrics business unit, which was sold in October 2023. On a like-for-like basis, excluding Datatrics, the growth of the SaaS component exceeded 20%, accounting for approximately 16% of total revenues, while the CPaaS line grew by 1.2%, accounting for 81% of total revenues. The growth in other revenues is mainly related to grants on tenders and related allocations, as well as non-business billings (rental income and other services) and related to the divestments of the ESP business and Datatrics.

Agile Telecom produced the highest revenues in absolute value, equal to approximately Euro 30 million, up 1.3%. Margins in the first quarter of 2024 were affected by some negative market dynamics, falling short of expectations, while they benefited from the corrective actions taken in the second quarter to bring them back to the excellent levels of last year, thus enabling a gradual recovery of overall margins that is still ongoing.

The highest growth rate was achieved by Beefree, with an increase of more than 20%, reaching approximately Euro 5.8 million / USD 6.2 million in revenues, thanks to the increase in sales volumes. ARR (Annual Recurring Revenue, which is a very widespread metric for measuring the performance of a subscription business, indicative of the average annualised recurring value of outstanding contracts) is over USD 13.6 million as at June 2024.

Revenues generated abroad amount to approximately Euro 29.1 million, equal to approximately 79% of the total, up 3.4% (or 6.9% organic) compared to the same period of the previous financial year. Recurring revenues amounted to Euro 5.7 million and grew by more than 19% on an organic basis compared to the previous period (i.e. not including Datatrics).

Consolidated EBITDA was negative by about Euro 0.7 million compared to the positive margin of Euro 0.3 million in the first half of 2023, or Euro 0.9 million excluding Datatrics, while Gross Profit exceeded Euro 8 million, accounting for about 22% of revenues, up 12% compared to 2023. In fact, the COGS component remained substantially stable (+1.5%), decreasing by more than 1.5 percentage points as a percentage of revenue. Significant was the negative impact of higher G&A costs (+31%) increasing at Holding and subsidiary level

as part of a general organisational strengthening of the Group, and in particular of the Beefree Business Unit, in addition to costs arising from services provided to former divested subsidiaries, then re-invoiced under specific contractual agreements, and one-off costs referring to consultancy and other costs for extraordinary transactions or variable compensation paid. Other cost items that negatively impact the gross operating margin are linked to the development of the Beefree Business Unit, with regard to the Sales & Marketing (+18%) and Research & Development (+27%) components; Beefree EBITDA is negative for about Euro 1.7 million.

Earnings before taxes (EBT) for the period are negative for about Euro 2 million, after amortisation for about Euro 1.9 million. Depreciation and amortisation related to the application of IFRS 16 amounted to Euro 0.3 million, an increase of 9% compared to the first half of 2023; depreciation and amortisation related to investments in R&D also increased (13%), amounting to Euro 1.5 million in the first half of 2024.

The net profit for the six months ended 30 June 2024, after estimated current and deferred taxes, was negative for about Euro 1.8 million.

The Consolidated Net Financial Position as at 30 June 2024 shows a negative (cash) amount of more than Euro 23 million, lower than the cash balance of Euro 42.1 million as at 31 December 2023, with the change largely influenced by the following factors (i) cash payment in the first half of 2024 of fees and commissions pertaining to the year 2023, related to the performance of the extraordinary transactions of divestment of equity investments and partial voluntary tender offer, for approximately Euro 1.4 million; (ii) payment of the first instalment of an extraordinary dividend for approximately Euro 10 million; (iii) capitalisation of R&D expenses, mainly related to Beefree, for approximately Euro 2.5 million; (iv) increase in trade receivables for approximately Euro 2.1 million; (v) investment of surplus cash in low-risk financial assets for approximately Euro 4 million. The effect of the adoption of IFRS 16, relating to rental, leasing and hire costs, results in an imputed debt item of approximately Euro 1.6 million. Cash and cash equivalents as at 30 June 2024 exceeded Euro 27.6 million.

Alternative performance indicators

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

Financial indicators used to measure the Group's economic performance

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

Main economic figures of the Growens Group

The table below summarises the consolidated results as at 30/06/2024 compared with the previous period in terms of total revenues, EBITDA and pre-tax result (EBT).

Description	30/06/2024	30/06/2023*	Change
Total revenues	36,903,719	35,635,998	1,267,721
EBITDA	(689,896)	280,625	(970,521)
Pre-tax result (EBT)	(1,960,955)	(2,876,450)	915,495

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

Description	30/06/2024	30/06/2023*
Net ROE (Net result/Net capital)	(0.05)	(0.17)
Gross ROE (EBT/Net capital)	(0.06)	(0.17)
ROI (EBITDA/Invested capital)	(0.01)	0.004
ROS (EBITDA/Sales revenues)	(0.02)	0.01

Main equity figures of the Growens Group

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

Description	30/06/2024	31/12/2023
Primary structure margin (Own funds – Fixed assets)	10,960,681	33,525,218
Primary structure ratio (Own funds/Fixed assets)	1.45	2.44
Secondary structure margin ((Own funds + Consolidated liabilities) - Fixed assets)	14,760,262	38,107,743
Secondary structure ratio ((Own funds + Consolidated liabilities)/Fixed assets)	1.61	2,63

Main financial figures of the Growens Group

The consolidated net financial position as at 30 June 2024 was as follows:

Consolidated Net Financial Position	30/06/2024	31/12/2023
A. Cash and cash equivalents	4,578,571	20,488,030
B. Cash equivalents	14,000,040	20,000,060
C. Other current financial assets	9,032,138	4,891,561
D. Liquidity (A) + (B) + (C)	27,610,749	45,379,650
E. Current financial debt	2,061,252	467,161
F. Current portion of non-current debt	1,062,798	1,085,516
G. Current financial debt (E) + (F)	3,124,049	1,552,678
H. Net current financial debt (G) - (D)	(24,486,700)	(43,826,973)
I. Non-current financial debt	1,370,799	1,734,029
L. Non-current financial debt (I) + (J) + (K)	1,370,799	1,734,029
M. Total financial debt (H) + (L)	(23,115,900)	(42,092,944)
N. Other long-term financial assets	(4,667,523)	(4,646,600)

O. of which Current financial debt Liabilities Right of Use IFRS 16	500,431	354,384
P. of which Non-current financial debt Liabilities Right of Use IFRS 16	1,128,357	919,315
Net financial debt adjusted for IFRS 16 effect (M)+(N)-(O)-(P)	(29,412,211)	(48,013,242)

ESMA Circular 32-382-1138 dated 04/03/2021 par. 175 orientation 39

Consolidated NFP showed cash of over Euro 23 million, a decrease of almost Euro 19 million compared to the end of the previous year due to the payment of the first tranche of dividends, the payment of extraordinary consultancy and bonuses related to extraordinary transactions in 2023, and other dynamics related to Agile Telecom customers and suppliers, Beefree R&D investments, loan repayments and other effects of current operations better detailed below. Also worth mentioning are the sums tied up in Escrow for over Euro 4.6 million under contractual agreements with TeamSystem in connection with the extraordinary disposal transactions of the previous year, reported as adjustments in the lower part of the table above.

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

Description	30/06/2024	31/12/2023
Primary liquidity (Immediate and deferred liq./ Current liabilities)	1.44	3.02
Secondary liquidity (Current assets/Current liabilities)	1.49	3.08
Debt (Net debt/Shareholders' equity)	(0.66)	(0.74)
Fixed asset coverage ratio (Own capital + Consolidated liabilities)/Fixed assets	1.68	2.76

Information pertaining to the environment and staff

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

Staff

During HY1 2024, there were no injuries at work and no charges were recorded with regards to occupational diseases on employees or former employees and mobbing cases.

As at 30 June 2024, the Group's workforce numbered 149 employees, of whom 4 managers, 13 middle managers and 132 white-collar workers, while as at 31 December 2023, it consisted of 147 employees, of whom 4 managers, 12 middle managers and 131 white-collar workers. The number of total employees employed during the year, i.e. ULA (Annual Work Units), amounted to 147.65 at Group level. The Group has always been committed to

safeguarding relations with employees; at present, there are no employment law disputes in progress.

Environment

Please note that the type of business carried out by the Group does not entail risks nor any onset of situations that may damage the environment. For a more in-depth analysis of the environmental sustainability issues implemented by Growens Group, please refer to the detailed information contained in the Sustainability Report 2023 prepared annually at consolidated level in correspondence with the end of the accounting period by the parent company and shared with investors and the market. This Report is a voluntary exercise.

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

The reporting concerns the period 1 January - 31 December 2023 and was carried out in compliance with the GRI Sustainability Reporting Standards guidelines, issued in 2016 by the Global Reporting Initiative and updated in 2021. The application level of the GRI Standards corresponds to the "in accordance with" option. As required by the Standards, the data collection phase was preceded by the performance of the so-called "Materiality Analysis", aimed at identifying the relevant issues that represent the most significant impacts of the organisation on the economy, the environment and people, including their human rights.

Investments

In the HY of this report, consolidated investments were made in the following areas:

Description	Increases in the year
Technological platform and services development costs	1,802,965
Third-party software and trademarks	144,625
IT infrastructure, electronic office machines and systems	20,822
Furniture, office furnishings and leasehold improvements	16,437
Right of Use IFRS 16	492,950

Given the nature of the Group's business, investments have historically been concentrated on intangible assets and in particular on the incremental development of the digital marketing tools represented by the Beefree editor, which is increasingly the main director of consolidated investments. In addition to these, Agile Telecom invested in strengthening and

renewing the technological tools that underpin its business. In the following section, the specifics of research and development activity in the period under consideration are given.

Also worth mentioning are the Right of Use assets, recognised in compliance with the IFRS 16 accounting standard, relating to existing rental, leasing and hire contracts, whose increases in the half-year relate to the new rental contract for the spaces where the Milan offices of Growens have been established in via Porro Lambertenghi 7 for Euro 296 thousand and to new contracts relating to company cars and hardware equipment for Euro 196 thousand.

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

Research and development

Pursuant to article 2428 paragraph 2 number 1 of the Italian Civil Code, it should be noted that, in HY1 2024, the Group capitalised internal investments relating to the software development of its platforms and technological services for over Euro 1.65 million as well as investments through external consultants for approximately Euro 150 thousand. Investments in the development of the Beefree editor amounted to over Euro 1.55 million in the two versions Beefree and Beefree SDK. The development activity, carried out by the parent company on behalf of BEE Content Design under specific contractual agreements, is carried out by an Italian team of developers under Growens, assisted by American colleagues, and is defined and supervised by the management of Beefree. Agile Telecom also carried out development activities, both through the use of internal resources and through external consultants for a total of Euro 250 thousand. These investments were capitalised by virtue of the future economic use, certifying the potential economic and financial future recovery. During the year, the Group also incurred additional operating costs relating to the departments dedicated to research and development for about Euro 1.5 million at consolidated level.

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

We summarise below the main additions and improvements made to our services in HY1 2024 as a result of research and development.

Editor Beefree:

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

The increasingly high number of service users has continued to provide a large quantity of feedback for the product team, which has exploited it to respond to market demand by developing and releasing many new functions. Below is a partial list of the improvements introduced in the first half of 2024: improvements to the content creation assistant based on artificial intelligence, leveraging integration with OpenAI GPT API, as mentioned at the beginning of this section; automatic creation of 'alternative text' for images - very important for ensuring accessibility of emails and web pages - based on the use of artificial intelligence for automatic understanding of image content; language management: the same email or web page can now be translated into multiple languages, without the need to duplicate the design file (i.e. one design, many languages), which allows for a large increase in productivity when translating the marketing campaign for different language countries; introduction of a new 'Business' plan that moves the 'Workspaces' management functionality to a business offer suitable for medium-sized companies (previously the functionality was reserved for the 'Enterprise' plan); numerous new functions and improvements in the areas of collaboration, review, and approval of emails and pages created within a multi-user account; a new control panel that displays a summary of the last emails and pages worked on, and the conversations opened on them, further enhancing collaboration; several improvements to the user experience, including a redesign of the navigation, which the user can now choose to use in portrait or landscape mode;

Beefree SDK: in terms of improvements to the software user experience, many features were added or improved in Q1 2024, typically usable regardless of whether creating an email, a page or a pop-up. A complete list is always available at <https://developers.beefree.io/> under "What's New". Among the most important, we would like to point out: the continuous evolution of the integration with the OpenAI API that allows the editor user to use a ChatGPT-like interface directly within the user interface, helping - for example - to create a draft of the first paragraph to be included in an email or page, translate it into another language, shorten it, change its tone, etc.: users can now also use artificial intelligence to create the subject line of messages, the title of a page, the summary text of the email (preheader text), and more; automatic ALT text generation by artificial intelligence has been extended to animated icons and GIFs; a new content block that allows the insertion of tables, which is useful when information must be presented within a tabular structure, such as in the case of order confirmation emails or price pages; new methods have been added to the Content Services API to allow some of the artificial intelligence features to be used without

having to load the editor; numerous improvements to the user interface and accessibility of the tool for people with disabilities.

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

Agile Telecom R&D Projects

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

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

The modules that make it up are:

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

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

The combination of infrastructures and modules allows Agile to have software that is easily maintainable, quickly upgradable and ready to deploy in every possible customer environment, even remotely and without an on-site visit.

The structure also minimises the customer's FTEs that have to maintain it, as it is designed to offer the best ratio in terms of self-maintenance of the modules, which can also be easily updated remotely.

By developing this project, work efficiency can be improved and risk reduced, resulting in lower costs and maximisation of the relative margin. The project was closed in June 2024.

MULTI CHANNEL PLATFORM The main objective of the **Multi-Channel Platform** project is to implement a messaging platform that not only supports different communication channels, but also optimises the interaction between these channels to ensure efficient and targeted message delivery. Through the use of advanced methods such as artificial intelligence and machine learning, the platform will be able to identify the most effective channel for each type of message, thus improving the user experience and maximising the effectiveness of communication campaigns. The project is expected to be completed by March 2025.

Key Features:

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

Anticipated Benefits:

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

Implementation Phases:

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

Conclusion:

The Agile Telecom Multichannel Platform project aims to position itself as a leading solution in the multichannel digital communications market, providing users with an unprecedented experience in terms of flexibility, reliability and efficiency. By integrating advanced technologies and a future-oriented approach, the platform aims to revolutionise the way companies and individuals communicate in an increasingly connected world.

AI TRAFFIC CATEGORIZER

Project Overview:

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

Project Objectives:

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

Key Functionality:

- Intelligent classification: analysis of message content to determine the appropriate category (e.g. promotional, transactional, urgent) and choose the most effective delivery channel;
- Machine learning: ability to learn from past interactions and continuously improve classification accuracy based on data analysis and feedback;
- Recipient-based personalisation: adaptation of routing decisions according to the preferences and past behaviour of recipients, thereby optimising engagement;
- Intuitive user interface: dashboard for real-time display of ratings and performance, allowing users to make manual changes if necessary.

Anticipated Benefits:

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

Implementation Phases:

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

Conclusion:

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

EXPANDING HORIZONS

Project Overview:

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

Project Objectives:

Expanding Horizons aims to:

- Expand the range of communication channels supported by the platform to include the latest innovations in digital messaging;

- Improve the flexibility and adaptability of the platform to respond quickly to market changes and consumer preferences;
- Ensure full interoperability between different channels for more effective and consistent communication.

Key Functionality:

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

Anticipated Benefits:

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

Implementation Phases:

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

Conclusion:

The Expanding Horizons project represents a significant step forward for Agile Telecom in the field of digital communications. With the goal of building a truly multichannel platform that not only meets current needs but is also ready for future market evolutions, Expanding Horizons positions Agile Telecom as an innovative leader in communication technology. This open and interoperable approach ensures that the platform can continue to grow and adapt, maintaining its relevance and effectiveness in the rapidly changing technology landscape. The project is expected to be completed by December 2025.

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

Project Phases:

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

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

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

Other R&D Projects

ERP digital transformation project with Oracle NetSuite

In the 2023 financial year, following the signing of the financing agreement with Invitalia and the Ministry of Enterprise and Made in Italy, the reporting activities of the ERP digital transformation project with Oracle NetSuite were completed for the allocation of the subsidies provided by the **Digital Transformation** tool, the incentive established by the Growth Decree that favours the technological and digital transformation of the production processes of micro, small and medium-sized enterprises.

The contract with MIMIT and Invitalia was signed at the end of the 2022 financial year and the project reporting work was carried out in January 2023. Since all the expenses reported were entirely incurred in previous years, with the project ending on 30/06/2022, the disbursement of the subsidies was requested in a single instalment (single SAL). The cost

items covered include part of the payroll costs, consultancy, general expenses, tools and equipment.

Reported expenditures amounted to Euro 361,100, compared to Euro 359,280 declared at the project submission stage, divided between two implementation objectives as follows:

- Horizon 1 - 100% complete: Euro 150,000 reported;
- Horizon 2 - 100% complete: Euro 209,280 reported.

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

Sace Simest Internationalisation Project

Agile Telecom submitted an application last year to take advantage of this initiative, later supplementing the documentation submitted, under Fund 394/81, a subsidised financing instrument managed by Sace Simest, part of the Cassa Depositi e Prestiti group, designed to support the internationalisation of Italian companies. This fund aims to support the international competitiveness of Italian companies by promoting expansion in foreign markets and encouraging exports and the opening of branches or joint ventures abroad. Among the various types of financing offered by the fund are feasibility studies, which cover the costs of preliminary studies for foreign investments, and foreign market insertion programmes, which finance investment projects aimed at international expansion. In addition, the fund supports the digital and ecological transition of companies, promoting digitalisation and sustainability. Agile Telecom applied for a loan of Euro 350,000, of which 10% was non-repayable and the remainder at a subsidised rate of 0.464% per annum. The total duration of the loan is 4 years, of which 2 years of pre-amortisation and 2 years of repayment. The loan, which has not yet been disbursed to date, may be subject to change by Simest.

Transactions with subsidiaries, associates, parents and other related companies

In HY1 2024, the Growens Group implemented transactions between its parent company, subsidiaries and affiliates included in the scope of consolidation, associates and other related parties that were part of its core business. Interventions all aimed to promote development in a synergic context that favours positive integrations and lastly, the efficiency of processes in the Group. No atypical or unusual operations were carried out with respect to normal business management. Transactions essentially concern the provision of services that are part of the Group's core business, the holding activities provided by the parent company,

such as accounting, legal, human resource management and administrative services in general, as well as the provision of technological services relating to the development of the Beefree proprietary editor and the management of the shared technology infrastructure and technological tools. Said relations come under the scope of ordinary business management and are stipulated at arm's length, or at the conditions that would have been established between independent parties.

Company name	Receivables	Payables	Other payables	Dividends	Revenues	Costs
Agile Telecom	352,225	649,130	-	1,491,918	901,359	-
BEE Content Design	10,803,171	-	-	-	5,133,661	-
Subsidiaries	11,155,396	649,130	-	1,491,918	6,035,020	-
Consorzio CRIT Scarl	6,956		70,000		(6,666)	9,600
Associates	6,956		70,000		(6,666)	9,600
Floor Srl	17,932					84,901
Other related parties	17,932					84,901

Agile Telecom

At the end of the 2024 half-year, the parent company had the following economic-financial relations with Agile Telecom: receivables relating to contracts for the supply of intercompany staff services for Euro 352,225, debt for Euro 649,130 deriving from the Group VAT regime managed by Growens, revenues for Euro 901,359 relating to intragroup staff services provided by the parent company and dividends approved in favour of Growens for Euro 1,491,918.

Bee Content Design

At the end of the 2024 half-year, the parent company had the following economic-financial relations with the American subsidiary: receivables relating to intercompany contracts for Euro 10,803,171, revenues for Euro 5,133,661 relating to intragroup staff services and other core services relating in particular to the software development of the Beefree editor provided by personnel employed by Growens. By virtue of the strategic design outlined above, the Group is allocating significant and increasing resources to support Beefree growth and optimisation, strengthening the Italian teams (so-called Team Beefree) dedicated to technology and other functions, in parallel with the organisational growth taking place in the US.

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

The real estate company Floor S.r.l., owned by some of the parent company's reference partners, has signed with Growens the lease contract for the building where the offices of the Cremona premises are located. The items highlighted refer to the existing real estate

lease related to HY1 2024. The receivable amounting to Euro 17,932 relates to the sale of capital goods referring to the aforementioned building.

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

Treasury shares and shares/units of parent companies

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

- (i) implement share incentive plans in whatever form they are structured (whether stock options, stock grants or work for equity plans) or proceed with free allotments to shareholders or fulfil obligations deriving from warrants, convertible financial instruments, with mandatory conversion or exchangeable for shares (based on existing transactions or transactions to be resolved/implemented);
- (ii) allow the use of treasury shares in the context of transactions related to the Company's core business or projects consistent with the strategic guidelines that the Company intends to pursue, in relation to which the opportunity to exchange shares is materialized, with the main objective therefore to have a portfolio of treasury shares available to it in the context of extraordinary finance transactions and/or other uses deemed to be of financial, management and strategic interest to the Company with the aim of completing corporate integration transactions with potential strategic partners, exchanges of equity investments or agreements of a commercial and/or professional nature deemed strategic for Growens;
- (iii) be able to use its treasury shares as investment for efficient use of liquidity generated by the Company's core business; and
- (iv) take action (where possible and provided for by the applicable legal and regulatory provisions), in compliance with current provisions, including through intermediaries, to limit anomalous price movements and to regularize trading and price trends, in the face of temporary distorting phenomena linked to excessive volatility or poor trading liquidity or, more generally, in support of the liquidity of the share and the efficiency of the market.

It should be noted that the authorisation to purchase treasury shares is not preordained to share capital reduction operations through cancellation of the treasury shares purchased. The Board of Directors is therefore authorised, for a period of 18 months from the date of resolution, to purchase fully paid-up ordinary shares of the Company, in one or more tranches, in an amount freely determinable by it up to a maximum number of treasury shares such as not to exceed 20% of the number of shares in circulation from time to time, at a unit

price not lower than 15% and not higher than 15% of the reference price that the stock will have recorded in the market session of the day preceding each individual transaction.

Purchases may be made, in any case in compliance with the equal treatment of shareholders, in any of the following ways: (i) public offer for purchase or exchange; (ii) purchases made on the Euronext Growth Milan market, in accordance with market practices that do not allow the direct matching of trading proposals for purchase with specific trading proposals for sale, or (iii) by any other method provided for by the law and therefore through block purchases or auction methods (including the so-called 'Dutch' auction), as evaluated from time to time in relation to the best realisation of the meeting proxy.

In any event, purchases will be made - in accordance with the provisions of Article 2357, paragraph 1 of the Italian Civil Code - within the limits of the distributable profits and available reserves resulting from the latest duly approved financial statements of the Company.

In application of the so-called "whitewash" procedure pursuant to Article 44-bis, paragraph 2, of Consob Regulation No. 11971/1999, the treasury shares purchased by the Company in execution of said authorisation resolution will not be excluded in the ordinary share capital (and therefore will be counted in the same) if, as a result of the purchases of treasury shares, a shareholder exceeds the relevant thresholds pursuant to Article 106 of Legislative Decree No. 58/1998.

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

Use of subjective estimates and valuations

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

Impairment of assets

The Group's tangible and intangible assets are impaired at least once a year if they have an indefinite useful life or, more often, if there are events that suggest that their carrying amount may not be recovered. Impairment is determined by comparing the carrying amount with the recoverable amount, which is the higher of fair value less costs to sell and value in use determined by discounting the estimated future cash flows from using the asset less costs to sell. The expected cash flows are quantified in the light of the information available at the time of the estimate, on the basis of subjective judgements regarding future trends in variables – such as prices, costs, the rate of growth of demand – and are discounted using a rate that takes account of the risk inherent to the asset concerned. Goodwill and other intangible assets with an unlimited useful lifespan are not amortized. The recoverability of their carrying value is checked at least annually and whenever events occur which imply a drop in value. Goodwill is tested at the smallest CGU at which management monitors, directly or indirectly, the return on investments in assets that include the goodwill. When the book value of the CGU, including the goodwill attributed to it, exceeds the recoverable value, the difference is subject to impairment, which is allocated first to the goodwill up to its amount. Any excess impairment is allocated pro rata to the book value of the assets which constitute the CGU. Since the conditions are not met, the impairment tests on goodwill recorded in the balance sheet assets will be carried out at the time of the 2024 annual financial statements.

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

Risk analysis

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

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

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

- Environmental risks.

Risks related to the general economic trend

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

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

Market risks

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

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

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

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

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

Risks related to financial operations

Credit risk

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

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

Liquidity risk

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

In order to optimise the management of financial resources and reduce the liquidity risk, the Group has adopted processes for the systematic monitoring of prospective liquidity conditions, in connection with business planning. The Group expects to meet its financing

needs from available liquidity and cash flows from operations. Future projections of the Group's financial performance suggest that the prospective financial resources, together with current availability, will be able to ensure adequate support for operations and planned ordinary and extraordinary investments.

Interest rate risk

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

Exchange rate risk

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

Risk of recovery of assets

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

Risks related to external unlawful acts

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

Reputational and Corporate Social Responsibility (CSR) risks

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

Environmental risks

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

any particular problems in this area that could cause significant material damage to equipment and infrastructure and consequent impacts on the economic-financial level.

Significant events after the end of HY1 2024

At present, no significant events have occurred after the end of the half-year in question and up to the date of approval of this Half-Year Report.

Outlook

BEEFREE DEVELOPMENT PLAN

Introduction - Sector and competitive context

In the last fifteen years, design has become more accessible thanks to tools such as Canva and Adobe Express that allow even users without technical skills to create various digital content. Despite progress, email service providers still have room for improvement in their graphics modelling offerings. Beefree has distinguished itself as a pioneer in the niche of Visual Email Builders since 2014, in a market now also crowded with venture capital-backed players. Generative artificial intelligence is revolutionising the sector in several areas, from content production to reporting, with an increase in demand for content expected in the coming years. In this context, Growens reinforced its investment in Beefree to capitalise on these developments and maintain competitiveness.

Beefree 2024-2026 three-year plan summary

The Beefree mission is to democratise the design of complex digital assets - such as emails and landing pages - by creating tools that empower people to do their best work.

The strategic guidelines shared by Growens and Beefree aim to achieve positive development in both its operating segments, Beefree and Beefree SDK, by leveraging its proprietary technology and its historical critical success factors: responsible business approach, innovation and growth, product-led-growth.

As a result of the integration with RGE, highlighted above, the strategic plan for the organic growth of the Beefree business unit includes the following projected targets:

- Revenues: CAGR 2023-2026 above 35%;
- Gross margin when fully operational (2026) above 75%;
- Headcount CAGR 2023-2026 higher than 5%, particularly in the Customer Experience, Marketing, Sales, R&D departments (excluding personnel currently in Holding, amounting to approximately 50 persons distributed in the Finance and Control, Legal, HR, IT, Data departments);
- EBITDA break-even in 2025;

- EBITDA margin in excess of 15%;
- CAPEX 2024-2026 amounting to approximately USD 15 million;
- Negative cash flow in 2024-2025 of USD 8-10 million, with break-even in 2026;
- ARR as of December 2026 between USD 30-35 million;

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

Target 2024

For the financial year 2024, Beefree budget guidelines include: a new commercial package for Beefree SDK (by Q3 2024). In R&D, the development of new functionalities that exploit generative AI, the introduction of incremental improvements, the launch of a multi-region infrastructure, new features for the Enterprise market, and new connectors to integrate new platforms to Beefree

Go-to-market initiatives, leveraging the resources acquired with RGE: partnerships, community, indirect channel development, multilingual approach, development of new Growth Marketing team

Agile Telecom is expected to continue its growth, focused on leveraging a scalable, high-conversion business, as well as enhancing its portfolio with advanced CPaaS (Communications Platform as a Service) solutions, effectively responding to the needs of a rapidly evolving market, such as Mobile Number Portability, RCS termination and other communication channels.

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

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

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

In order to better manage the Company's business and, more generally, the activities of the Group to which it belongs, over the years the Company has, therefore, paid particular attention to issues related to compliance and compliance with Decree 231, carrying out constant audits, providing specific training to its employees and updating, where necessary, its Model 231 and its Code of Ethics 231.

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

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

In order to provide an in-depth understanding of the legal implications and responsibilities associated with the legislation in question and at the same time strengthen staff awareness, during the first months of 2024, the Company - in line with what has been done in the past - provided specific training focused on the special parts of Model 231 concerning the following predicate offences:

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

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

During 2024, the Company then conducted a specific audit of the special parts of Model 231 dedicated to Market Abuse and Corporate Offences, the results of which were reflected in the Half-Year Report of the Supervisory Body submitted to the attention of the Board of Directors jointly with this Consolidated Half-Year Report as at 30 June 2024. On the basis of the verification activities conducted, it was possible to ascertain the suitability of the 231

Model to prevent the types of offences provided for in Legislative Decree 231/2001 and its consistency with the operating procedures adopted by the Company was also confirmed.

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

Personal data processing

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

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

Following the corporate transactions that took place in 2023 and HY1 2024, the "Organisational Model for the protection of personal data" ("MOP", also known as the "**Group Data Protection Compliance Framework**") was also confirmed, as a tool for aligning the Group's policies and demonstrating that the processing of personal data is carried out in accordance with the GDPR. The MOP has been localised on all Group companies and reflects the position they want to adopt in relation to the processing of personal data, containing policies and procedures aimed at establishing a comprehensive internal framework on the processing of personal data - rules, standards and guidelines to be followed by employees and staff - but also to demonstrate the various measures implemented by the Group to comply with the various applicable privacy and data protection laws. In particular, the objective of the MOP continues to be to ensure a coherent and solid level of protection of personal data processed in the context of the activities carried out by Group companies, regardless of where said activities may take place. In addition to policies and procedures that cover all relevant aspects and obligations that must be considered in the processing of personal data, the MOP also includes various operational documents - such as models, questionnaires, assessment tools and fact sheets - to assist employees and staff of the Company in daily operations.

Furthermore, during the first half of 2024, a review and update of the processing registers of the Group companies was started, in addition to the preparation of the so-called "LIA - Legitimate Interest Assessment" whenever new processing operations based on the legal

basis of legitimate interest and implemented by the individual companies come to light. Documents were also updated in relation to new personal data processing initiatives and activities carried out by the Company in its capacity as Data Controller or Data Processor.

As part of the advisory activities carried out by the DPO, the 2024 mandate also included dedicated privacy support - as well as a regular update channel on the most relevant legislative changes in the field of privacy and data protection - pursuant to US state and federal regulations applicable to the business context of BEE Content Design INC. The aim is to increasingly ensure adequate compliance of this company also with respect to the privacy regulatory landscape in the US, as well as constant updating in relation to the main legislative changes on the subject.

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

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

Finally, in the first half of 2024, the Company - with the support of the DPO - proceeded to carry out the privacy-related activities related to the corporate transaction that led to the acquisition by BEE Content Design, Inc. of certain strategic assets of the company Really Good Emails LLC.

Thank you for the trust placed in us.

Milan, 24 September 2024

The Chairman of the Board of Directors

Matteo Monfredini

5. Group consolidated financial statements as at 30/06/2024

CONSOLIDATED BALANCE SHEET AS AT 30/06/2024

amounts in Euro	Notes	30/06/2024	31/12/2023	Change	Cha. %
Tangible assets		270,600	286,551	(15,951)	(5.6)%
Right of Use	1	1,601,198	1,258,009	343,189	27.3%
Intangible assets	2	6,376,304	5,434,791	941,512	17.3%
Goodwill	3	8,498,292	8,498,292	0	0.0%
Equity investments in associates and joint ventures		436,167	420,701	15,466	3.7%
Other non-current assets	4	6,124,921	6,075,448	49,473	0.8%
Deferred tax assets	5	1,810,179	1,369,823	440,357	32.1%
Total non-current assets		25,117,662	23,343,615	1,774,047	7.6%
Trade and other receivables	6	10,904,778	8,747,887	2,156,891	24.7%
Other current assets	7	15,356,883	9,621,356	5,735,527	59.6%
Cash and cash equivalents	8	18,578,611	40,488,090	(21,909,478)	(54.1)%
Total current assets		44,840,273	58,857,332	(14,017,060)	(23.8)%
Total Assets		69,957,935	82,200,948	(12,243,013)	(14.9)%
Share capital	9	384,834	384,834	0	0.0%
Reserves	9	36,769,102	(1,611,653)	38,380,755	(2,381.5)%
Group result of the period	9	(1,692,258)	58,213,479	(59,905,737)	(102.9)%
Shareholders' equity of non-controlling interests	9	(193,730)	(117,825)	(75,905)	64.4%
Total shareholders' equity	9	35,267,948	56,868,834	(21,600,886)	(38.0)%
Amounts due to banks and other lenders	10	1,492,598	2,074,235	(581,637)	(28.0)%
Long-term Right of Use liability	11	1,128,357	919,315	209,042	22.7%
Provisions for risks and charges		233,333	133,333	100,000	75.0%
Staff funds	12	1,151,860	1,097,245	54,615	5.0%
Deferred tax liabilities		603,828	358,397	245,431	68.5%
Total non-current liabilities		4,609,976	4,582,525	27,452	0.6%
Trade and other payables	13	11,047,143	12,730,699	(1,683,557)	(13.2)%
Amounts due to banks and other lenders	14	2,623,619	1,198,294	1,425,325	118.9%
Short-term right of use liability	15	500,431	354,384	146,047	41.2%
Other current liabilities	16	15,908,819	6,466,212	9,442,607	146.0%
Total current liabilities		30,080,011	20,749,589	9,330,421	45.0%
Total Liabilities		69,957,935	82,200,948	(12,243,013)	(14.9)%

**CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT AS AT
30/06/2024**

amounts in Euro	Notes	30/06/2024	%	30/06/2023*	%	Change	Cha. %
Revenues SaaS	17	5,746,277	15.6%	5,876,718	16.5%	(130,441)	(2.2)%
Revenues CPaaS	17	29,824,584	80.8%	29,480,375	82.7%	344,209	1.2%
Other revenues	17	1,332,858	3.6%	278,905	0.8%	1,053,952	377.9%
Total revenues		36,903,719	100.0%	35,635,998	100.0%	1,267,721	3.6%
COGS costs	18	28,865,310	78.2%	28,441,171	79.8%	424,146	1.5%
Gross profit		8,038,402	21.8%	7,194,827	20.2%	843,575	11.7%
S&M costs	19	2,623,310	7.1%	2,227,075	6.2%	396,235	17.8%
R&D costs	20	1,511,666	4.1%	1,193,261	3.3%	318,405	26.7%
<i>Capitalized R&D costs</i>		(1,655,722)	(4.5)%	(1,732,834)	(4.9)%	77,112	(4.5)%
<i>R&D costs</i>		3,167,388	8.6%	2,926,094	8.2%	241,293	8.2%
General costs	21	4,593,323	12.4%	3,493,867	9.8%	1,099,456	31.5%
Total costs		8,728,298	23.7%	6,914,203	19.4%	1,814,096	26.2%
EBITDA		(689,896)	(1.9)%	280,625	0.8%	(970,521)	(345.8)%
General amortization, depreciation and provisions	22	106,750	0.3%	135,680	0.4%	(28,930)	(21.3)%
Amortisation Right of Use	22	263,532	0.7%	241,333	0.7%	22,199	9.2%
Amortisation R&D	22	1,513,626	4.1%	1,334,738	3.7%	178,888	13.4%
Impairment and provisions	22			1,286,000	3.6%	(1,286,000)	(100.0)%
Amortisation, depreciation and provisions		1,883,908	5.1%	2,997,751	8.4%	(1,113,842)	(37.2)%
EBIT		(2,573,804)	(7.0)%	(2,717,126)	(7.6)%	143,322	(5.3)%
Financial operations		612,850	1.7%	(159,324)	(0.4)%	772,173	(484.7)%
EBT		(1,960,955)	(5.3)%	(2,876,450)	(8.1)%	915,495	(31.8)%
Income taxes	23	18,254	0.0%	(112,046)	(0.3)%	130,301	(116.3)%
Deferred tax assets (liabilities)	23	177,795	0.5%	127,016	0.4%	50,778	40.0%
Net result from Continuing Operations		(1,764,905)	(4.8)%	(2,861,479)	(8.0)%	1,096,574	(38.3)%
Net result from Discontinued Operations				186,713	0.5%	(186,713)	
Profit (Loss) for the period		(1,764,905)	(4.8)%	(2,674,766)	(7.5)%	909,861	(34.0)%
Group profit (loss)		(1,692,258)	(4.6)%	(2,649,961)	(7.4)%	957,703	(36.1)%
Minority interest profit (loss)		(72,647)	(0.2)%	(24,805)	(0.1)%	(47,842)	192.9%
Actuarial profit/(loss) net of the tax effect		28,552		(120,013)	(0.3)%	148,565	(124)%
Profit/(loss) deriving from the conversion of the financial statements of consolidated companies carried in currencies other than the Euro		117,887		15,543	(0.1)%	102,344	658%
Comprehensive period profit/(loss)		(1,618,466)		(2,779,236)	(7.8)%	1,161,770	(41.8)%

Result:			
Per share	24	(0.1391)	(0.1028)
Diluted result	24	(0.1359)	(0.0997)

* the comparison column of the Income Statement includes the former subsidiary Datatrics BV in the scope of consolidation as per the Half-Year Report as at 30/06/2023 approved on 18/09/2023 - it also applies to the following statements

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 comparison column of the half-year consolidated income statement as at 30/06/2023, the ESP business, represented by certain Cash Generating Units, given its significance and specificity, has consequently been treated as Discontinued Operations in accordance with the dictates of the IFRS 5 standard; therefore:

- in the income statement for HY1 2023, revenues and income and expenses related to the net assets constituting Discontinued Operations were reclassified to Net Income from Discontinued Operations (Euro +187 thousand in HY1 2023).

It should be noted that the existing transactions between Continuing and Discontinued Operations in HY1 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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Figures in Euro</i>	31/12/2023	Allocation of result	Dividend distribution	Comprehensive IS result	Stock Option Plan	Profits/losses carried forward	FY result	30/06/2024
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	39,064,1203						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)						(5,628,533)
Stock Option Plan reserve	-				53,415			53,415
OCI reserve and translation	(455,717)			154,610				(301,606)
FTA reserve	(712,339)							(712,339)
Merger surplus reserve	133,068							133,068
FY result	58,213,479	(38,173,230)	(20,040,249)				(1,692,258)	(1,692,258)
Group Shareholders' Equity	56,986,659	-	154,610	53,415	(1,692,258)	35,461,6780		
Minority interests capital and reserves	(117,825)			(3,257)		(72,648)		(193,730)
Shareholders' equity	56,868,834	-	(20,040,249)	151,353	53,415	(72,648)	(1,692,258)	35,267,948

<i>Figures in Euro</i>	31/12/2022	Allocation of result	Increase in Reserves	Purchase of treasury shares	Capital increase in kind for acquisition of investments	Comprehensive IS result	Stock option plan	Profits/losses carried forward	FY result	30/06/2023
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	280,332	180,999							8,543,943
Reserve for portfolio treasury shares	(277,675)			(3,169)						(280,845)
Reserve for exchange rate gains	74,625									74,625
Profit/(loss) carried forward	(1,832,307)	(2,797,337)								(4,628,644)
Stock option reserve	-									-
OCI reserve and translation	(83,854)					(104,470)				(188,324)
FTA reserve	(712,339)									(712,339)
Merger surplus reserve	133,068									133,068
FY result	(2,516,005)	2,516,005							(2,649,961)	(2,649,961)
Shareholders' equity	17,148,307	-	108,999	(3,169)	-	(104,470)	-	-	(1,363,961)	14,499,706

CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement - Amounts in Euro	30/06/2024	30/06/2023*
Profit (loss) for the period	(1,764,905)	(2,674,766)
Income taxes	(18,254)	182,245
Deferred tax assets/liabilities	(177,795)	(324,611)
Financial income (expenses)	(622,763)	174,531
Exchange (gains)/losses	9,913	53,608
1 Profit (loss) of the period before income tax, interest, dividends and gains/losses from disposals	(2,573,804)	(2,588,993)
Value adjustments for non-monetary items that have no equivalent item in net working capital:		
Provisions for TFR	207,402	539,530
Other provisions	72,033	103,113
Amortisation and depreciation of fixed assets	1,811,875	2,984,317
Provisions and impairment		1,286,000
Other adjustments for non-monetary items		(245,148)
2 Cash flow before changes in NWC	(482,494)	2,078,549
Changes in net working capital		
Decrease/(increase) in trade receivables	(2,156,891)	3,357,671
Increase/(decrease) in trade payables	(1,683,557)	(2,688,420)
Decrease/(increase) in accrued income and prepaid expenses	(87,726)	(2,588,193)
Increase/(decrease) in accrued liabilities and deferred income	650,249	913,133
Decrease/(increase) in tax receivables	(181,787)	(125,060)
Increase/(decrease) in tax payables	176,379	297,917
Decrease/(increase) in other receivables	(5,095,976)	(90,810)
Increase/(decrease) in other payables	(1,394,221)	(132,887)
Other changes in net working capital	220,119	
3 Cash flow after changes in NWC	(10,035,906)	1,021,899
Other adjustments		
Interest collected/(paid)	80,490	(88,327)
(Income tax paid)		
(Capital gains)/capital losses deriving from the disposal of assets	(7,048)	
Dividends paid	(10,010,200)	
(Use of provisions)		(140,839)
4 Cash flow after other adjustments	(19,972,664)	792,733
A Cash flow from operations	(19,972,664)	792,733
Tangible fixed assets	(28,026)	(95,002)
(Investments)	(28,026)	(95,002)
Divestment realisation price		
Intangible fixed assets	(2,435,904)	(2,752,371)
(Investments)	(2,435,904)	(2,752,371)
Divestment realisation price		
Financial fixed assets	(74,304)	(269,055)
(Investments)	(74,304)	(269,055)

Divestment realisation price		
Financial assets		
(Investments)		
Divestment realisation price		
Acquisition or disposal of subsidiaries		
B Cash flow from investments	(2,538,235)	(3,116,428)
Minority interest funds	(601,421)	6,805,020
Increase (decrease) in short-term payables to banks	1,448,043	497,005
Stipulation of loans		8,000,000
Loan repayments	(846,622)	(1,691,985)
Own funds		(3,169)
Capital increase by payment		
Sale (purchase) of treasury shares		(3,169)
Change to share premium reserve		
C Cash flow from loans	601,421	6,801,851
Increase (decrease) in liquid funds (A ± B ± C)	(21,909,478)	4,478,157
Initial cash and cash equivalents	40,488,090	7,153,665
Final cash and cash equivalents	18,578,611	11,631,822
Change in cash and cash equivalents	(21,909,478)	4,478,157

6. Notes to the Consolidated Half-Year Report as at 30 June 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 Consolidated Half-Year Report closed as at 30/06/2024 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 economic prospects, the capitalisation and financial position of the Company, there is no uncertainty as the fact that the Group can operate as a going concern, and that, consequently, in preparing the Consolidated Half-Year Report as at 30/06/2024, it should adopt accounting standards precisely under these terms.

These consolidated financial statements are subject to limited voluntary 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 30/06/2024 ("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 this Consolidated Half-Year Report, 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	Shareholder s' equity	Net profit/(loss)	% held	Investment value
Bee Content Design Inc	USA	43,295	(6,249,344)	(2,343,456)	96.9	1,336,349
Agile Telecom S.p.A.	Carpi (MO)	500,000	2,487,737	419,795	100	8,800,000
Total						10,136,349

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 Half-Year Report in the section "The Group".

The consolidated half-year statements all refer to the closing date of the parent company corresponding to 30/06/2024.

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:

- the assets and liabilities have been converted at exchange rates current as at 28/06/2024 last available quote before the end of the HY;
- the items of the income statement have been converted at average exchange rates for HY1 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 28/06/2024	Average exchange rate HY1 2024	Exchange rate as at 31/12/2023	Average exchange rate HY1 2023
US Dollar	1.0705	1.0813	1.105	1.0866

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 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 (Email, 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 Business Unit level, it groups together the revenues of the Beefree editor and, for the comparison column as at

30/06/2023 only, those of the former subsidiary Datatrics BV, which was sold to a third party on 18/10/2023. 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 HY1 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 this Half-Year Report, 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 09 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 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.

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 financial instruments at the end of the first half of 2024.

<i>(Amounts in Euro)</i>	Book value	Fair value	Fair value hierarchy
Other non-current financial assets	2,258,779	2,258,779	Level 3
Other non-current financial assets	3,866,143	3,866,143	Level 1
Cash equivalents	14,000,040	14,000,040	Level 3
Other current financial assets	9,032,138	9,032,138	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)

30/06/2024	31/12/2023	Changes
1,601,198	1,258,009	343,189

Description	30/06/2024	31/12/2023	Changes
Office Right of Use IFRS 16	1,100,129	973,727	126,402
Car right of use IFRS 16	358,357	158,882	199,475
PC Right of Use IFRS 16	142,712	125,399	17,313
Total	1,601,198	1,258,009	343,189

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 1,100,129 for leased offices, Euro 358,357 for vehicles and Euro 142,712 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)

30/06/2024	31/12/2023	Changes
6,376,304	5,434,791	941,512

Description	30/06/2024	31/12/2023	Changes
Software development	5,871,962	4,847,304	1,024,659
Third-party software	489,859	569,968	(80,109)
Trademarks	4,291	5,121	(830)
Other	10,191	12,398	(2,207)
Total	6,376,304	5,434,791	941,512

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 30/06/2024 its value, net of the relevant accumulated amortisation, amounted to Euro 4.4 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)

30/06/2024	31/12/2023	Changes
8,498,292	8,498,292	0

Below is a breakdown of goodwill as at 30/06/2024:

Description	30/06/2024
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

Goodwill and other intangible assets of the Group with an unlimited useful lifespan are not amortized. The recoverability of their carrying value is checked at least annually and whenever events occur which imply a drop in value. Impairment is determined by comparing the carrying amount with the recoverable amount, which is the higher of fair value less costs to sell and value in use determined by discounting the estimated future cash flows from using the asset less costs to sell. The expected cash flows are quantified in the light of the information available at the time of the estimate, on the basis of subjective judgements regarding future trends in variables – such as prices, costs, the rate of growth of demand – and are discounted using a rate that takes account of the risk inherent to the asset concerned. Goodwill is tested at the smallest CGU at which management monitors, directly or indirectly, the return on investments in assets that include the goodwill. When the book value of the CGU, including the goodwill attributed to it, exceeds the recoverable value, the difference is subject to impairment, which is allocated first to the goodwill up to its amount. Any excess impairment is allocated pro rata to the book value of the assets which constitute the CGU. Since the conditions are not met, the impairment tests on goodwill recorded in the balance sheet assets will be carried out at the time of the 2024 annual financial statements.

Other non-current assets (4)

30/06/2024	31/12/2023	Changes
6,124,921	6,075,448	49,473

Description	31/12/2023	Changes	30/06/2024
Receivables from associated companies	70,000	0	70,000
Receivables from others	99,328	37,915	137,243
Pledged amounts Bper	1,259,520	(9,365)	1,250,155
Escrow on sale of ESP BU	4,646,600	20,924	4,667,523
Total	6,075,448	49,473	6,124,921

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 “BPER pledge” 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 securities, in order to benefit from the still favourable dynamics of lending rates. 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)

30/06/2024	31/12/2023	Changes
1,810,179	1,369,823	440,357

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	30/06/2024	31/12/2023	Changes
Growens Spa	242,647	373,277	(130,631)
Agile Telecom Spa	10,472	43,105	(32,634)
Bee Content Design Inc	1,557,060	953,440	603,620
Total	1,810,179	1,369,823	440,357

Current assets

Trade and other receivables (6)

30/06/2024	31/12/2023	Changes
10,904,778	8,747,887	2,156,891

The increase in trade receivables is almost entirely attributable to more favourable conditions in terms of commercial deferment granted by Agile Telecom 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 risk situations with regard to collections from clients and business partners. Beefree recorded an increase in receivables in line with the period increase in revenue, while Growens' receivables from the MailUp business transferred in the previous year are gradually being exhausted.

Below is the breakdown of receivables by geographic area:

Description	30/06/2024	31/12/2023	Changes
Italy	2,526,025	2,255,196	270,829
EU	718,412	1,041,129	(322,717)
Non EU	7,660,341	5,451,561	2,208,780
Total	10,904,778	8,747,887	2,156,891

Other current assets (7)

30/06/2024	31/12/2023	Changes
15,356,883	9,621,356	5,735,527

Description	30/06/2024	31/12/2023	Changes
Inventories	32,105	37,128	(5,023)
Tax receivables	518,041	553,132	(35,091)
Other receivables	1,587,375	199,953	1,387,422
Accrued income and prepaid expenses	1,910,570	1,822,844	87,726
VAT credit	2,276,654	2,116,744	159,910
Other current financial assets	9,032,138	4,891,561	4,140,577
Total	15,356,883	9,621,356	5,735,527

The increase is mainly due to the items relating to other current financial assets that correspond to additional investments, compared to those already present at the end of the previous financial year, in low-risk securities, especially government securities, bonds and bond funds, and partly equity funds, purchased for "trading" purposes, i.e. aimed at maximising the return on liquid assets temporarily not invested for business purposes, which, in compliance with the IFRS 9 standard, were valued at fair value with recognition in the income statement of capital gains of Euro 35 thousand based on the market value at the end of the period. The increase in Other Receivables derives from the extraordinary advance to suppliers of Euro 1 million paid by Agile Telecom to one of its main partners in exchange for particularly favourable commercial conditions related to a 'spot' transaction closing at the end of Q3 2024, in addition to the allocation of the contribution on the call for new skills fund accrued in 2023 and not yet received for Euro 427 thousand.

Cash and cash equivalents (8)

Description	30/06/2024	31/12/2023	Changes
Cash and cash equivalents	18,578,611	40,488,090	(21,909,478)

The balance represents liquid funds and cash as well as valuables held as at 30/06/2024. The decrease, in addition to the higher cash outflows resulting from the previously mentioned Growens' investment in low-risk securities of the cash on hand (Euro 4 million) and for Agile the increase in trade receivables and the extraordinary supplier advance (Euro 3.2 million), is attributable as the most significant changes, to the disbursement of the first tranche of dividends to Growens shareholders in the amount of Euro 10 million, to the balance in Q1 2024 of one-off suppliers (Euro 1.4 million) and to the disbursement of extraordinary bonuses to management (Euro 0.95 million) related to the completion of extraordinary transactions pertaining to 2023. The remaining amount of the decrease stems from changes related to normal operating dynamics, such as strategic investment activities for capitalisation of software developments, repayment and take-up of medium- and short-term loans, and other effects impacting the overall income statement.

Liabilities and Shareholders' Equity

Group Shareholders' Equity

Share capital and reserves (9)

The table below shows the share capital:

30/06/2024	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 30 June 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:

30/06/2024	31/12/2023	Changes
36,769,102	(1,611,653)	38,380,755

Description	Balance as at 31/12/2023	Increases	Decreases	Balance as at 30/06/2024
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	(712,338)			(712,338)
OCI reserve and translation	(455,713)		154,610	(301,606)
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)		(890,890)	(5,628,533)
Stock option reserve		53,415		53,415
Total	(1,611,653)	(39,117,535)	(736,282)	36,769,102

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.

The consolidated net result for the period was a loss of Euro 1,764,905, of which Euro 1,692,258 was attributable to the Group, compared to a consolidated loss for the first half of 2023 of Euro 2,674,766, including the related discontinued operations. For an in-depth analysis of the consolidated results, please refer to the specific section of the Report on Operations of this Half-Year Report.

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)

	30/06/2024	31/12/2023	Changes
Amounts due to banks and other lenders - non-current portion	1,492,598	2,074,235	(581,637)

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	30/06/2024	31/12/2023	Changes
Long-term right of use liability	1,128,357	919,315	209,042

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 increases are attributable to the new car leasing, car rental and PC contracts of Agile Telecom and Growens, as well as the new rental contract for the space where the parent company’s registered office in the city of Milan is located.

Staff funds (12)

30/06/2024	31/12/2023	Changes
1,151,860	1,097,245	54,615

The change is as follows:

Description	30/06/2024	31/12/2023
Dismissal indemnity provision	1,151,860	1,097,245

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	30/06/2024
Annual technical discounting rate	3.61%
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	30/06/2024	31/12/2023	Changes
Payables to suppliers	11,047,143	12,730,699	(1,683,557)
Total	11,047,143	12,730,699	(1,683,557)

"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	30/06/2024	31/12/2023	Changes
Italy	6,744,404	9,573,858	(2,829,454)
EU	336,898	277,318	59,580
Non EU	3,965,841	2,879,523	1,086,318

Total	11,047,143	12,730,699	(1,683,557)
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Amounts due to banks and other lenders - current portion (14)

30/06/2024	31/12/2023	Changes
2,623,619	1,198,294	1,425,325

Description	30/06/2024	31/12/2023	Changes
Amounts due to banks - short-term	1,560,821	112,778	1,448,043
Short-term portion of loans	1,062,798	1,085,516	(22,718)
Total	2,623,619	1,198,294	1,425,325

The item Short-term portion of loans is determined by the residual portions due within the year of unsecured loans taken out by the parent company with Credito Emiliano and Banca BPER, as well as Euro 1.5 million for advances on invoices of the subsidiary Agile Telecom with Credit 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. Obviously, the same assessments apply as those previously set out in commenting on medium/long-term bank debt. The remaining item relates to bank debt to electronic payment circuits for payments made by credit card.

Short-term Right of Use liability (15)

30/06/2024	31/12/2023	Changes
500,431	354,384	146,047

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)

30/06/2024	31/12/2023	Changes
15,908,819	6,466,212	9,442,607

Below is the breakdown of Other current liabilities:

Description	30/06/2024
Security deposits	46,512
Tax payables	455,532
Amounts due to social security institutions	388,247

Amounts due to Directors for remuneration	51,001
Amounts due to employees for salaries, holidays, leave and additional months' salaries	1,309,983
Payables for shared Bonus	703,141
Payables for dividends	10,020,106
Accrued liabilities and deferred income	2,934,297
Total	15,908,819

The most significant portion, which practically determines the total increase over the previous reporting period, derives from the second instalment of the 2023 dividends resolved by the Ordinary Shareholders' Meeting of 18 April 2024, which were paid on 4 September 2024. 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)

30/06/2024	30/06/2023*	Changes
36,903,719	35,635,998	1,267,721

* the comparison column of the Income Statement includes the former subsidiary Datatrics BV in the scope of consolidation as per the Half-Year Report as at 30/06/2023 approved on 18/09/2023 - it also applies to the following statements

Revenues by product type

Description	30/06/2024	30/06/2023*	Changes
Revenues SaaS	5,746,277	5,876,718	(130,441)
Revenues CPaaS	29,824,584	29,480,375	344,209
Other revenues	1,332,858	278,905	1,053,952
Total	36,903,719	35,635,998	1,267,721

The increase in total consolidated half-year revenue, compared to the same figure for the first half of 2023, is largely attributable to growth in Other Revenue. This was mainly due to allocations relating to grants accrued on public tenders, in particular the provision for new skills for Euro 427 thousand, one-off contingent assets for Euro 345 thousand, following the closure of previous allocations no longer collectable, and the reversal of costs attributable to contractual agreements for the sale of the MailUp and Datatrics business units to third parties for about Euro 200 thousand. For a detailed analysis of the dynamics of SaaS and CPaaS business revenues, which highlights the effect of the presence, in the comparison column of the first half of 2023 alone, of Datatrics revenues, amounting to almost Euro 1.1 million, a company subsequently sold and removed from the consolidation scope, please refer to the section commenting on the operating performance in the Report on Operations. Without this effect, the half-year increase in SaaS revenues, in particular of Beefree, would be more than 20%.

COGS (Cost of goods sold) (18)

30/06/2024	30/06/2023*	Changes
28,865,317	28,441,171	424,146

The breakdown is as follows:

Description	30/06/2024	30/06/2023*	Changes
Purchases Cogs	26,885,958	26,560,230	325,727.93
Services Cogs	1,246,553	2,415,694	(1,169,141)
Cost of rents and leases Cogs	9,859	3,345	(2,360)
Payroll cost Cogs	731,821	3,239,063	(2,507,242)
Sundry operating expenses Cogs	0	5,486	(5,486)
Discontinued Operations	0	(3,782,647)	3,782,647
Total	28,865,317	28,441,171	424,146

COGS costs were impacted by the lower-than-expected margins, due to specific market dynamics, achieved by Agile Telecom in Q1 2024, with a subsequent return to the excellent percentage margins of the previous year in Q2 2024, which partially offset the above against the corrective actions taken by management. This effect is continuing after the end of the first half-year.

Sales & Marketing costs (19)

30/06/2024	30/06/2023*	Changes
2,623,310	2,227,075	396,235

The breakdown is as follows:

Description	30/06/2024	30/06/2023*	Changes
Purchases S&M	15,740	7,400	8,341
Services S&M	488,250	1,373,261	(885,010)
Cost of rents and leases S&M	6,925	18,868	(11,943)
Payroll cost S&M	2,112,394	4,111,568	(1,999,173)
Sundry operating expenses S&M	0	130	(130)
Discontinued Operations	0	(3,284,152)	3,284,152
Total	2,623,310	2,227,075	396,235

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 in view of the growth plan for the next three years.

Research & Development costs (20)

30/06/2024	30/06/2023*	Changes
1,511,666	1,193,261	318,405

The breakdown is as follows:

Description	30/06/2024	30/06/2023*
Purchases R&D	424	1,514
Services R&D	264,706	513,045
Cost of rents and leases R&D	2,411	3,295
R&D costs	2,899,846	4,534,886
Capitalized payroll cost	(1,655,722)	(2,433,834)
Discontinued Operations	0	(3,859,479)
Total	1,511,666	1,193,261

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 payroll 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, starting with Beefree, to support its significant growth planned for the coming years, and to make Agile Telecom an increasingly leading player in the bulk SMS market.

General costs (21)

30/06/2024	30/06/2023*	Changes
4,593,323	3,493,867	1,099,456

The breakdown is as follows:

Description	30/06/2024	30/06/2023*	Changes
General purchases	24,020	57,255	(33,235)
General services	3,115,252	3,544,892	(429,640)
Cost of rents and leases – General	104,025	191,366	(87,341)
Payroll cost – General	1,287,494	2,323,921	(1,036,428)
Sundry operating expenses – General	62,533	181,777	(119,245)
Discontinued Operations	0	(2,805,345)	2,805,345
Total	4,593,323	3,493,867	1,099,456

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 increase stems from higher costs recognised by Growens, in its role as holding, and by the subsidiaries as part of a general organisational reinforcement, in particular of the Beefree BU, from services rendered in favour of the former subsidiaries that were sold under specific contractual agreements, then re-invoiced, from one-off costs relating to consultancy and other costs for extraordinary transactions or variable remuneration paid.

Amortisation, depreciation and impairment (22)

30/06/2024	30/06/2023*	Changes
1,883,908	2,997,751	(1,113,842)

Description	30/06/2024	30/06/2023*	Changes
General amortization, depreciation and provisions	106,750	135,680	(28,930)
Amortisation Right of Use	263,532	241,333	22,199
Amortisation R&D	1,513,626	1,334,738	178,888
Impairment and provisions	0	1,286,000	(1,286,000)
Total	1,883,908	2,997,751	(1,113,842)

Right of Use amortisation was calculated for the first time in 2019 following the application of IFRS 16. In HY1 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. In HY1 2023, this section included the impairment of the investment in Datatrics BV in the amount of Euro 1.3 million following an impairment test, which was subsequently sold to third parties.

Income taxes for the period (23)

30/06/2024	30/06/2023*	Changes
196,049	14,970	181,079

Description	30/06/2024	30/06/2023*	Changes
Current tax	18,254	(112,046)	130,301
Deferred taxes	177,795	127,016	50,778
Total	196,049	14,970	181,079

The taxes for the period have been allocated on the basis of the application of the tax regulations in force in the relevant country. 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 connected with the consolidation entries deriving from the elisions of intragroup margins and the related effect on the consolidated amortization/depreciation shares, have also been calculated. Current taxes benefit from the positive effect for Agile Telecom of the higher tax savings achieved under the Patent Box 2023 compared to the prudent amount set aside at the end of the previous year.

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 HY1 2024.

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

Description	30/06/2024
Net earnings (loss) attributable to shareholders	(1,764,905)
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	(0.1391)

Diluted earnings per share are calculated as follows:

Description	30/06/2024
Net earnings (loss) attributable to shareholders	(1,764,905)
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	603,964
Weighted number of shares in issue	12,985,684
Basic earnings (loss) per share	(0.1359)

Workforce

As at 30 June 2024, the Group had 149 employees, of whom 4 managers, 13 middle managers, 132 white-collar workers. The number of employees in terms of ULA (Annual Work Units) amounted to 147.65 at Group level.

Level of classification	Total number	%	Italy	United States of America
White-collar workers	132	88.6%	99	33
Middle managers	13	8.7%	13	
Managers	4	2.7%	4	
Total	149	100.0%	116	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 1,174,677 while the compensation to the Boards of Auditors, where present, is equal to Euro 23,760.

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 30/06/2024 at consolidated level totalled Euro 18,200.00.

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.

This Consolidated Financial Report, 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, 24 September 2024

The Chairman of the Board of Directors

Matteo Monfredini



Growens S.p.A.

Auditors' review report on consolidated condensed interim financial statements as of 30 June 2024

Consolidated condensed interim financial statements
as of 30 June 2024

This report has been translated into English from the Italian original solely for the convenience of international readers.

Auditors' review report on consolidated condensed interim financial statements

To the Shareholders of
Growens S.p.A.

Introduction

We have reviewed the accompanying consolidated condensed interim financial statements comprising the consolidated statement of financial position, the consolidated income statement and comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows and explanatory notes of Growens S.p.A. and its subsidiaries (Growens Group) as of 30 June 2024.

The directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) adopted by the European Union.

Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures.

The scope of a review is substantially less than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of Growens Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34), as adopted by the European Union.

Milan, 25 September 2024

BDO Italia S.p.A.
Signed in the original by
Giuseppe Santambrogio
Partner

This report has been translated into English from the Italian original solely for the convenience of international readers.