Tessellis Group
Annual Financial Report as of 31 December 2024

The Board of Directors of Tessellis S.p.A. authorized the publication of this document on 27 May 2025.

This report is available on the website: www.tessellis.it.

Tessellis S.p.A.

Registered Office: Cagliari, Località Sa Illetta, SS195 Km 2.3

Share Capital: EUR 152,100,000.00

Registered with the Companies Register of Cagliari and VAT No. 02375280928 R.E.A. – 191784

Company duration: until 31 December 2050

Table

1 Consolidated summary data

Income statement	2024	2023
(EUR mln)		
Revenue	217.0	231.2
Other income	2.8	2.7
Adjusted Gross Operating Result (EBITDA)	26.0	34.7
Operating Result (EBIT)	(48.1)	(54.7)
Result from held for sale and discontinued operations	-	-
Net Result	(57.9)	(62.2)

Statement of financial position	31 December 2024	31 December 2023
(EUR mln)		
Total assets	290.7	303.3
Net Financial Debt	97.7	85.1
Net Financial Debt as per Consob	110.5	101.4
Shareholders' equity	(12.8)	25.4
Investments	43.4	50.7

Operating figures	31 December 2024	31 December 2023
(thousands)		
Total number of Clients	**948.8**	**1,021.6**
Broadband Fixed	283.8	292.6
Broadband Wireless	313.9	401.1
Mobile	351.0	328.0

2 Alternative Performance Indicators

In this Management's Report, in addition to the conventional indicators required by IFRS, the Group also presents an alternative performance indicator (EBITDA) used by Tessellis Group's management to monitor and evaluate the Group's operational performance. This indicator must not be considered as a substitute for the profitability measures required by IFRS. In particular, since the composition of EBITDA is not regulated by the relevant accounting standards, the determination criteria applied by Tessellis Group may not be consistent with those adopted by other operators and, therefore, this alternative performance indicator may not be comparable.

In line with CONSOB's guidelines on this matter, the following table provides the criteria used to determine the Group's EBITDA.

DETERMINATION OF EBITDA:	**2024**	**2023**
EUR/000		
Profit (loss) before tax	**(58,604)**	**(62,062)**
+ Financial charges	10,192	7,063
- Financial income	(28)	(138)
+ Share of profit (loss) of equity-accounted investees	381	396
Operating result	**(48,059)**	**(54,741)**
+ Restructuring costs and other provisions	1,080	3,117
+ Depreciation and amortisation	70,211	81,569
+ Impairment losses on non-current assets	2,719	4,751
EBITDA	**25,951**	**34,696**

3 Corporate Governance Bodies

Board of Directors

The Board of Directors was appointed by the Shareholders' Meeting on 16 May 2022 and will remain in office until the approval of the financial statements as of 31 December 2024:

CEO and Chairman: Davide Rota (#)
Maurizia Squinzi (*) (1) (2) (3)
Serena Torielli (*) (1) (2) (3)
Sara Testino (*) (1) (2) (3)
Andrew Theodore Holt
Jeffrey Robert Libshutz (*)
Nicholas Daraviras

(*) Independent Directors
(#) The CEO holds powers of ordinary and extraordinary administration to be exercised either individually or jointly in accordance with the powers granted by the Board of Directors on 16 May 2022.
(1) Control and Risk Committee
(2) Appointment and Remuneration Committee
(3) Related Parties Transactions Committee

On 21 February 2024, the Chairman of the Board of Directors, Renato Soru, resigned from his position and from the Board. On 17 June 2024, the Shareholders' Meeting appointed Nicholas Daraviras, whose term will expire along with that of the other directors.

Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the Shareholders' Meeting on 17 June 2024 and will remain in office until the approval of the financial statements as of 31 December 2026:

Chairman: Riccardo Francesco Rodolfo Zingales
Statutory Auditors: Rita Casu
Antonio Zecca

Executive Responsible for Preparing the Company's Financial Reports

Fabio Bartoloni
The Executive Responsible for Preparing the Company's Financial Reports was appointed by the Board of Directors on 12 September 2022 and will remain in office until the approval of this annual report.

Auditing Company

Deloitte & Touche S.p.A.

The Auditing Company was appointed by the Shareholders' Meeting on 30 May 2017 for a nine-year term, from FY2017 to FY2025.

Management's Report

Premise

The Tessellis Group has exercised the option to present the Management's Report of the Parent Company and the Consolidated Management's Report in a single document, giving greater prominence, where appropriate, to matters relevant to the group of companies included in the consolidation.

The Tessellis Group is a **Digital Company** with one of the largest fibre coverage networks available in Italy. The Group's main operating company is Tiscali Italia, a national operator ranked among the top in the ultrabroadband segment in the most innovative and promising technologies: 5G Fixed Wireless Access (FWA) and Fiber to the Home (FTTH).

The Group's main business areas are:

- **Telco**: fixed services (fixed ultrabroadband and fixed wireless) and mobile services for both private and business customers.
- **Media & Tech**: media activities through the tessellis.it portal and advertising sales through the Veesible sales agency.
- **Innovative services for B2B and Public Administration**: platforms and vertical services, including smart city services for households, businesses, and public administrations.

4.1 Positioning of the Tessellis Group in the Market Context

The electronic communications sector[1] experienced a slight growth in 2023 (+0.8%) in terms of overall resources (compared to -3.3% in 2022). The total value of the sector stands just above EUR 27 billion in 2022, thus halting the downward trend observed over the past five years (2019–2023). This performance is attributable solely to the growth of fixed network resources (+4.4% year-on-year in 2023), now amounting to approximately EUR 16 billion. The mobile network, valued at EUR 11 billion, saw a decline of 4.1% compared to 2022.
These dynamics occur in a context characterized on the one hand by a strong growth in consumption (especially of data traffic), and on the other by a constant reduction in the prices of telecommunications services and devices, bucking the trend described by the national consumer price index for the entire population.

Fixed Broadband Market Development

The Fixed Broadband and UltraBroadband market, Tessellis Group's main reference market, reached 18.86 million accesses as of December 2024[2], down by 163 thousand accesses year-on-year (-0.9%).

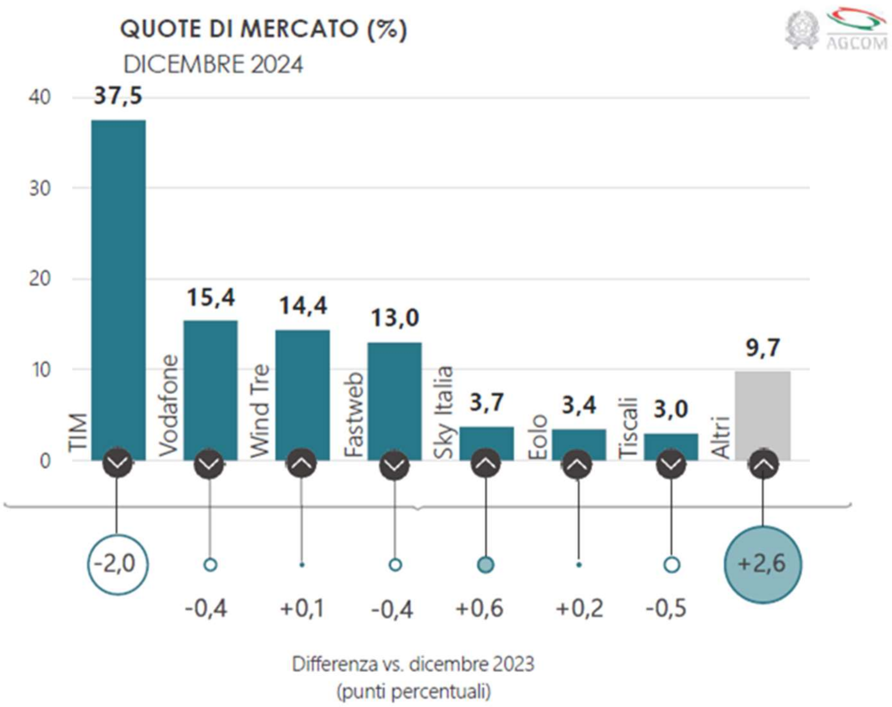
Ultra-broadband accesses (Fiber to the Home, Fiber to the Cabinet, and FWA – Fixed Wireless Access) increased to 17.43 million in December 2024, marking a growth of 812 thousand units (+4.9% year-on-year). At

[1] *Source: AGCOM 2024 Annual Report – Latest Available Data.*

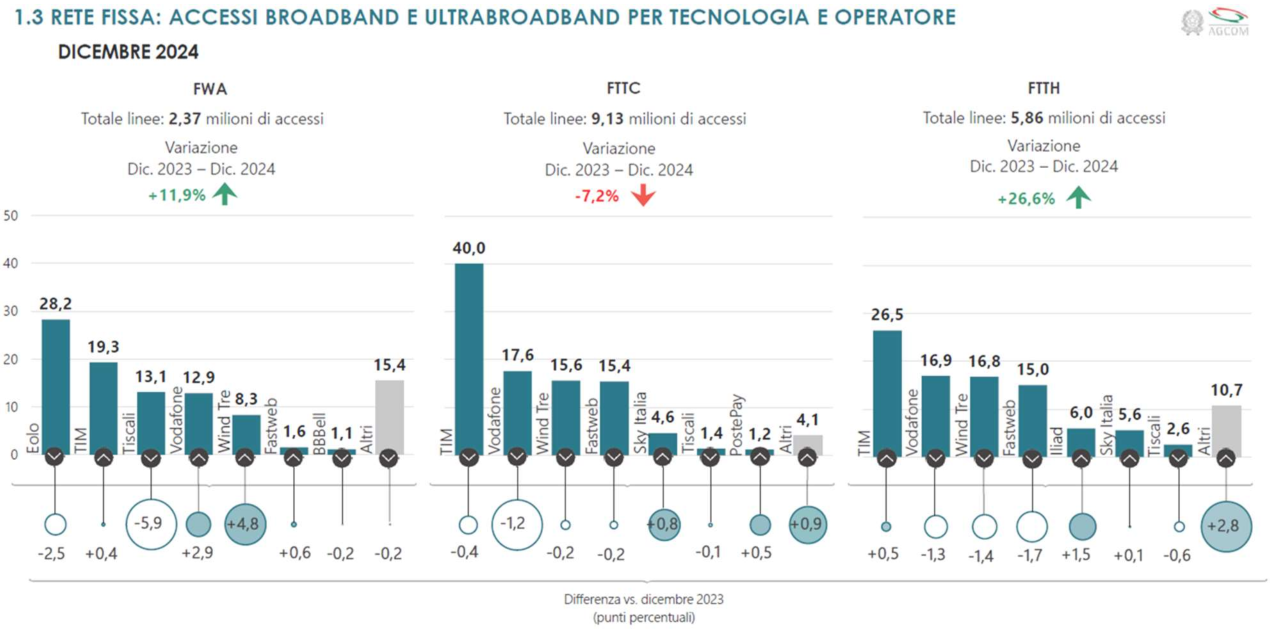
[2] *AGCOM Communications Observatory No. 1, 2025.*

the same time, the traditional DSL segment saw a significant decline, with a loss of 975 thousand lines (-40.5%), now representing just 1.43 million lines or 7.6% of the market.

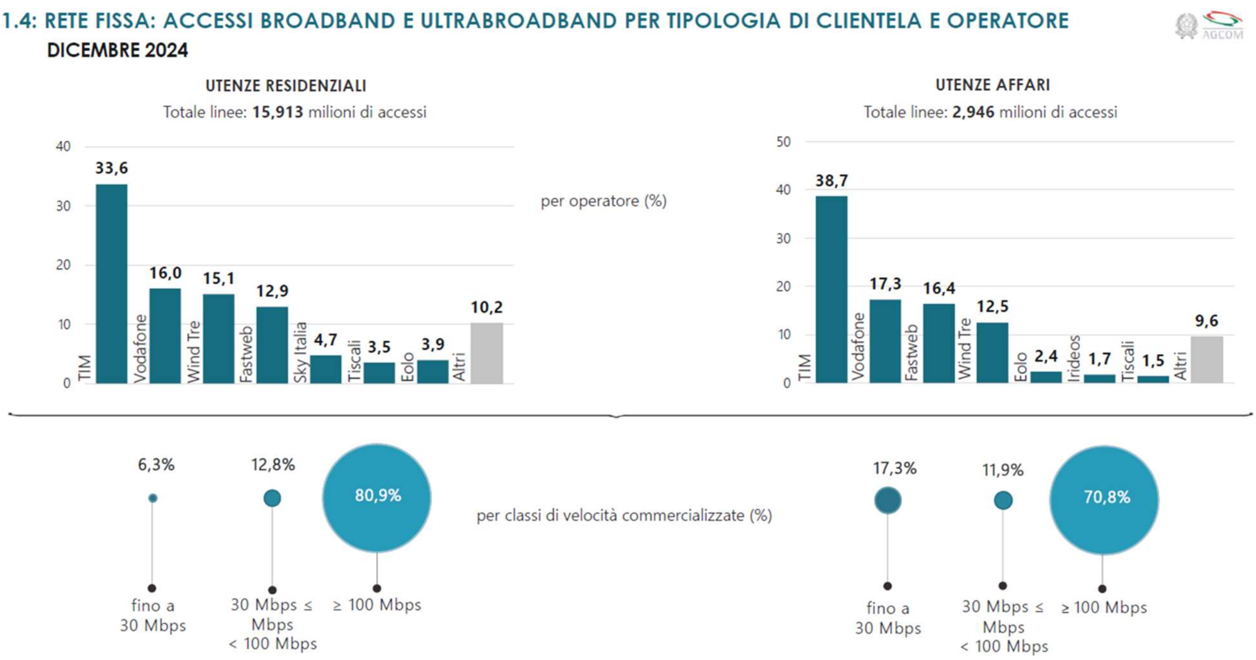
The market, in which the Tessellis Group ranks as the seventh largest operator, is broken down as shown in the following chart:



Regarding the different UltraBroadBand technologies, in the FTTH segment — with 5.86 million accesses and the highest growth rate (+26.6% year-on-year) — Tessellis' market share stood at 2.6% in December 2024. In the FWA segment, Tessellis holds a 13.1% market share, positioning it as the third largest operator in that segment.



Regarding market composition (see following chart), business customers represent 15.6% of total accesses, of which approximately 71% have speeds exceeding 100 Mbps. TIM remains the market leader in both segments, while Tessellis' market share stood at 3.5% in the residential segment and 1.5% in the business segment.



Mobile Market

The mobile services market remained stable as of December 2024[3], with a year-on-year increase of 673 thousand lines: of the 109.2 million SIMs as of December 2024, 30.5 million are "M2M" (Machine To Machine) SIMs, representing about 28% of the total, growing by 462 thousand year-on-year, while 78.7 million are "human" SIMs, up by 211 thousand year-on-year.

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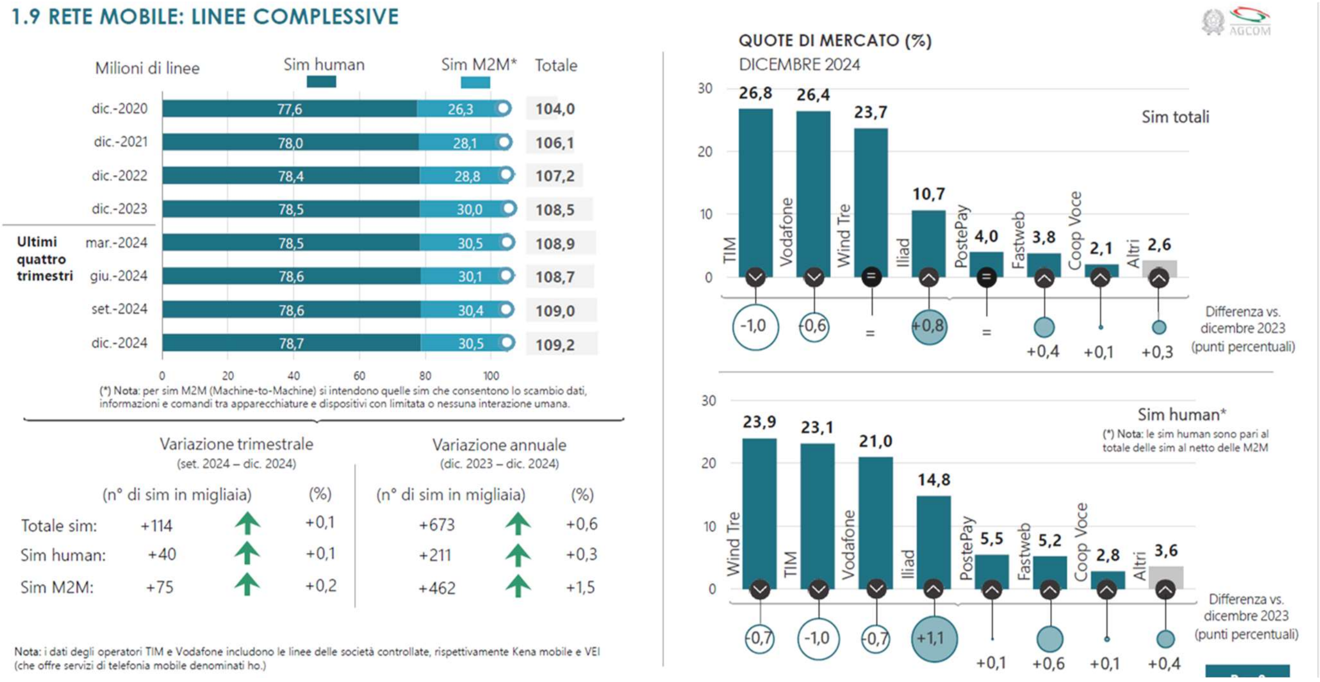
[3] *AGCOM Communications Observatory No. 1, 2025*

The mobile market is broken down as shown in the following chart: Iliad continues to grow, reaching a 14.8% market share in the human segment.



The Tessellis customer base stood at approximately 351 thousand units as of 31 December 2024.

Total data traffic in the market, as of December 2024, continues to grow (+15.85% year-on-year), although at a slower rate than the previous year (+14.2%).

Tessellis’ mobile offer, based on the TIM network, is available in 4G and 4G+ technologies, covering 99% of the population, and in 5G technology with speeds of up to 2 Gbps in 5,257 Municipalities.

Online Advertising Market

The online advertising market recorded a 1% increase in 2024, for a total value of approximately EUR 530 million[4]. December saw a decline of 8.1%.

Looking at details by device, smartphones grew by 2.9% compared to the previous year, while desktops (including tablets) showed a slight decrease: -0.4%. Again this year, content consumption via apps grew (+5.9%), as did browsing consumption, albeit to a lesser extent (+0.5%). Key drivers included the growth of video formats and the development of special initiatives, social media, and branded content, which are now indispensable tools in advertisers’ communication strategies.

Compared to 2023, daily online audience averaged a 2% increase, confirming the consolidation of online consumption habits, thanks to the continued growth in mobile usage (+2.5%), with nearly 35 million users

[4] *FCP: Italian Federation of Advertising Concessionaires*

browsing via mobile on an average day[5].

In 2024, Veesible – the Group's advertising sales company founded in October 2022 – faced a significant decline in its addressable advertising inventory due to a drop in visitors consenting to advertising profiling. Nevertheless, the sales company managed to match the previous year's advertising revenues thanks to a substantial increase in revenue per page view. This result was achieved through the development of the proprietary advertising delivery infrastructure and favourable agreements with key industry players.

B2B Market

As of December 2024[6], Broadband and UltraBroadband fixed network accesses in the business segment reached 2.95 million lines, marking an increase of approximately 280,000 lines compared to the previous year (+10.5%).

Ultrabroadband accesses with speeds exceeding 100 Mbps also continued to grow, reaching 2.085 million lines as of December 2024, up 8.9% year-over-year and accounting for 70.8% of the total. In the same period, the traditional DSL component declined, now representing only 17.3% of business segment lines.

As of December 31, 2024, the market share of the Tessellis Group stood at 1.5%, corresponding to approximately 44,000 lines, essentially unchanged from December 31, 2023.

The market leader remains TIM with a 38.7% market share, although down 3.2 percentage points year-over-year, followed by Vodafone at 17.3% (down 2.2 p.p.), Fastweb at 16.4% (down 2 p.p.), and Wind Tre at 12.5%, which gained 4.9 p.p. Eolo and Irideos account for 2.4% and 1.7% of the market, respectively.

4.2 Regulatory Framework

Below is a brief overview of the main areas of the regulatory framework that have evolved during 2024.

National Context

Regulatory interventions at the national level have followed two main lines of action: *(i)* defining new *ex ante* rules in the wholesale fixed network access services markets, with the aim of adapting them to the changed competitive environment and the new corporate and organizational structure adopted by TIM; and *(ii)* continuing the activities to implement the current regulatory framework.

In this context, the main initiatives undertaken were as follows:

- The conclusion of the public consultation process on the **new coordinated analysis of the fixed network access services markets** (Resolution No. 114/24/CONS published in May 2024), which has introduced significant changes to the regulatory framework.
  The measure adopted covers, for the first time, a five-year horizon (2024-2028), consistent with the objectives of regulatory stability and predictability required by European legislation and the Electronic

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[5] *Audicom, December 2023 Data*
[6] *Source: AGCOM Communications Observatory No. 1/2025 – Latest Available Data*

Communications Code.

The market for wholesale central access services (bitstream services) was found to no longer be susceptible to ex ante regulation, and consequently, the existing regulation imposed on TIM in this market has been removed.

The evolution of competitive dynamics observed in the wholesale local access services markets (ULL and VULA services) has led to a different geographical delineation of the markets compared to previous analyses: specifically, some fully competitive geographic areas (14 Municipalities) have been identified where the regulatory obligations currently imposed on TIM have been lifted, while in the Rest of Italy areas, TIM (together with its subsidiary FiberCop) continues to be designated as having significant market power, with the corresponding imposition of corrective measures provided for by the Code. Additionally, a group of 95 municipalities with higher competitive potential has been identified, where significant but not yet consolidated competitive pressure has been observed; in these areas, only the price control obligation for VULA services and dedicated capacity has been eased.

Finally, a progressive glide path has been established for the application of tariff increases for copper and copper-fibre mixed services starting in 2025.

- The implementation of the new Electronic Communications Code regarding users' rights and the conclusion of the process to adopt the new **Regulation on contracts** between operators and end users, which governs the main contractual issues of interest to users (Resolution No. 307/23/CONS).
- Pursuant to Law No. 93 of 14 July 2023 (so-called anti-piracy law), which contains provisions for the prevention and suppression of the illicit dissemination of copyright-protected content through electronic communications networks, AGCOM has introduced – with the active cooperation of all operators in the sector – the platform known as Piracy Shield. This platform, operational from 1 February 2024, enables the automated management of notifications following the precautionary orders issued by the Authority.

  Tessellis has carried out all the necessary activities to ensure the full operation of the platform by the established deadline.

4.3 Tessellis Shares

Share Capital:	EUR 139,500 thousand
Number of Ordinary Shares (without par value) (*):	271,610,004
Market capitalization as of 31 December 2024:	EUR 60,704.8 thousand

(*) This number does not include 28,771,064 unlisted shares that were issued on 19 December 2024 following the share capital increase reserved for ShellNet S.p.A., as described later in this paragraph.

Tessellis shares have been listed on the Borsa Italiana (Milan: TSL) since October 1999.

During 2024, the following share capital increases took place:

- Share capital increases totalling EUR 12.5 million resulting from the conversion of 125 N&G convertible bonds. These bonds were issued and converted during the second half of 2024. A total of 37,542,797 shares were issued;

- Share capital increase reserved for ShellNet S.p.A. of EUR 7 million, carried out on 19 December 2024, which led to the issuance of 28,771,064 unlisted shares.

On 17 June 2024, the Ordinary and Extraordinary Shareholders' Meeting of Tessellis resolved the following voluntary share capital reductions (pursuant to Article 2445 of the Italian Civil Code):

- Voluntary reduction of EUR 3,978,911.85 through a decrease in share capital to cover the loss for the year and losses from previous years. The reduction was carried out without cancellation of shares, as they have no expressed par value;
- Voluntary reduction of EUR 85,013,818.32 through a decrease in share capital and a corresponding increase in Other Reserves. The reduction was carried out without cancellation of shares, as they have no expressed par value.

Following the aforementioned transactions, the company's share capital decreased from EUR 208,992,730.17 (EUR/000) as pf 31 December 2023 to EUR 139,500,000 (fully subscribed and paid in) as of 31 December 2024. The share capital is divided into 271,610,004 ordinary shares without par value. In addition, 28,771,064 unlisted shares were issued as part of the share capital increase reserved for ShellNet S.p.A. on 19 December 2024.

The market capitalization as of 31 December 2024, amounting to EUR 60.7 million, compares with a consolidated equity deficit of EUR 12.8 million.

As of 31 December 2024, the differential between market capitalization and the value of consolidated shareholders' equity, amounting to EUR 73.5 million, reflects the Group's future profitability prospects as incorporated in the cash flows resulting from the updated 2025-2028 Business Plan.

As of the date of approval of this financial report, market capitalization stands at EUR 36.6 million.

Based on the results from the Shareholders' Register, supplemented by additional communications received and information available to Tessellis, as of 31 December 2024, no shareholders other than ShellNet S.p.A. held qualified shareholdings.

4.3.1 Main Activities Carried Out and Results Achieved During FY2024

Below are the additional activities carried out and the results achieved by the Tessellis Group during 2024.

Network Coverage and Marketing and Communication Activities

As of December 2024, the Group offers telecommunications services through various fixed network technologies, designed to provide the most suitable service for both consumer and business customers. In particular:

- FTTH fibre optic, reaching approximately 14 million local households and businesses, with speeds of up to 2.5 Gbps in Areas A&B and C&D (for businesses) through the Open Fiber network, and via the TIM network (with speeds up to 2.5 Gbps as of November).
- FTTC connections, covering approximately 28 million local households and businesses, offering speeds of up to 200 Mbps.
- FWA (Fixed Wireless Access) connections through the ShellNet network, reaching approximately 24

million local households and businesses. This access is made possible thanks to more than 3,300 base transceiver stations (BTS), serving over 3,700 municipalities. As of December 2024, 5G BTS at 300 Mbps cover more than 2,500 Municipalities, reaching a total of approximately 6.5 million households.

In the residential fixed services market, thanks to an agreement signed with AXA, a leading company in its sector, Tiscali was able to offer an insurance product bundled with connectivity services.

In January 2024, the “Linkem Home Protection” package was launched, combining connectivity with calls included, an assistance package covering home damage, and device support. Initially launched with FWA connectivity, the bundle was later extended to Fiber connectivity. This offer thus provides customers with a richer package that, in addition to unlimited calls, includes a home insurance solution.

The connectivity offer for the business market was enhanced with an additional solution that combines connectivity services with a mobile network backup service in LTE technology to ensure continuous service availability.

In September 2024, the “Tiscali Cyber Protection” cybersecurity service was launched, targeting the SoHo segment. This service is unique in the cybersecurity offerings aimed at professionals, as it includes EDR (Endpoint Detection and Response) software that, through the use of behavioural analysis and artificial intelligence, monitors customers’ operations and suspicious activities in real time, protecting them from all types of cyber threats. The real strength of the service is the Security Operations Centre (SOC), composed of a team of experts who constantly monitor the customer to prevent cyber threats and intervene before they can cause damage.

The connectivity offer for the business market was enhanced with an additional solution that combines connectivity services with a mobile network backup service in LTE technology to ensure continuous service availability.

In the mobile network services segment, a major development occurred during the first half of the year with the launch in May of the 5G technology offering for the residential market, with speeds of up to 1 Gbps, and for the business market, with speeds of up to 2 Gbps.

Alongside 5G, 4G+ coverage with speeds of up to 700 Mbps was also introduced, available in 6,174 Municipalities.

The flagship 5G technology offering, aimed at the residential market, responds to the needs of a market increasingly demanding high performance and high data traffic volumes with a plan offering 200 GB for less than EUR 10 per month – all with no contractual obligations or hidden costs, in line with the transparency positioning that has always characterized the services offered by the Tessellis Group.

The Communication activities in 2024 continued in the direction of the brand relaunch strategy for Tiscali, launched in November 2022 with the multi-channel campaign “Love for Internet.”

The promotional campaigns, aimed at increasing brand awareness and traffic to the company’s properties, were primarily disseminated through digital channels, using traditional formats and video content on major social media platforms such as Meta and TikTok, as well as campaigns on the Google network.

The campaigns primarily focused on promoting mobile services, with national coverage and a specific focus on the launch of 5G technology services, as well as services aimed at the B2B segment, with particular attention to the microbusiness market.

Tiscali, always close to the values of sport, also continued its sponsorship activities in the basketball world for the 2023/24 season, with partnership agreements with Serie A teams *Olimpia Milano* and *Dinamo Sassari*. These sponsorships included a portfolio of assets leveraged for commercial purposes and to increase brand awareness, as well as technical supply agreements for the provision of connectivity services.

Rework Laboratories Project

In 2024, activities continued for the Rework Laboratories project, launched in June 2022 as part of a memorandum of understanding under the "Prison Work" Program, established through collaboration between the Ministry of Justice and the Department for Digital Transformation, with the contribution of other companies in the telecommunications and digital sectors.

In 2024, the laboratories in Uta (Cagliari), Lecce, and Rebibbia continued their activities involving the refurbishment of network terminal devices (for FWA and Fiber) with the goal of enhancing prison labour within the telecommunications and ICT sector. Throughout 2024, a total of 24 inmates worked in the laboratories (7 in Cagliari, 11 in Lecce, 6 in Rebibbia). Currently, 15 inmates are working in the laboratories (4 in Cagliari, 6 in Lecce, 5 in Rebibbia).

In the Rebibbia laboratory, devices are refurbished on behalf of a telecommunications provider, generating revenue. As of 31 December 2024, revenue from the sale of these devices amounted to approximately EUR 114,000. In 2024, 15,829 modems were refurbished at the Rework Laboratory in Lecce, 27,720 at the Rebibbia Laboratory, and 12,863 at the Uta Laboratory.

Technological Upgrades Campaign – Agreement with Open Fiber

During 2024, a technological upgrades campaign was launched for a portion of the customer base using fixed connectivity services (wireless and wired), with the aim of migrating them to more advanced Ultrabroadband solutions over the FTTH network. This campaign, in addition to improving the performance of services provided to end customers and thus reducing churn, generated significant benefits for the Group. In particular, thanks to financial incentives recognized by the FTTH access provider – in addition to the elimination of migration costs and the cost of the customer's home device – an extra contribution was obtained as a result of exceeding the predetermined migration target.

Renegotiation of MVNO Agreement with TIM

During 2024, as part of the annual negotiation regarding the financial terms of mobile services with the host operator, a revision of the costs applicable to the second half of 2024 and the entire first half of 2025 was concluded. In particular, starting from 1 July 2024, as a result of this negotiation, the Group benefited from a significant reduction in costs related to the two bundles dedicated to the 5G service, as well as additional benefits on other components of the service.

Media Division Activities

In 2024, the Tessellis Group’s Media Division further consolidated its open, multimedia, and multi-access ecosystem model, aimed at multiplying and qualifying the portfolio of contacts, interactions, and multichannel engagement to increase value generation.

Overall, the Tiscali Network, with all its components, reached over 78 million Unique Browsers in 2024, marking a 5% increase compared to 2023. These users viewed approximately 2.4 billion pages.

Advertising revenue amounted to approximately EUR 1.6 million, remaining essentially stable compared to last year. This is a positive result, considering the significant reduction in the addressable inventory due to decreased consent for advertising profiling. This phenomenon was also accentuated by the extremely cautious consent collection policies adopted, which, while fully compliant with GDPR regulations, were more “restrictive” than those implemented by competitors.

However, the decline was offset by a significant increase in average revenue per page view, achieved through the optimization of the internal technology platform and favourable agreements with the main industry players. Advertising campaigns were also launched in collaboration with Media Agencies, initiating a targeted strategy to strengthen Tiscali Media’s presence in the planning of advertisers with greater investment capacity.

In terms of contact generation, the key asset continues to be Tiscali Mail, which also recorded an interesting revenue increase compared to last year (+8%), as well as the Milleunadonna and Gamesurf portals (a combined +40%), which increasingly serve to create vertical communities that will be gradually enhanced through *ad hoc* initiatives.

In this regard, with the aim of generating incremental revenue streams, since last September the Media Division has embarked on a strategic path to **convert the business model from a “Publisher-like” approach**, primarily focused on monetizing traffic through advertising, to one of **“vertical community development,”** qualifying contacts and developing digital products and services dedicated to them.

The main directions of the new business model will be:

1) **Relaunch of the Tiscali Mail service**: the main asset of the Media ecosystem, which currently counts approximately 2 million mailboxes and generates 80% of advertising revenue. The free mail service will be enhanced and transformed into a “community” that offers its users services, discounts, exclusive benefits, and dedicated offers to increase engagement and encourage frequent returns to the platform. **Premium** (paid) services will also be introduced to enrich the current free offer, with a particular focus on Security (enhanced antispam and anti-phishing, parental control system).
2) **Development of highly profiled communities** on vertical portals to increase the value of advertising revenue and, in addition, enable the sale of products and services.
3) **Development of tailor-made digital services and platforms for companies** (such as the development of apps, AI-based chatbots, vertical marketplaces, etc.).

As part of the diversification and enhancement of the business, several projects were launched during the year:

a) Development of **vertical portals**: continued, no longer exclusively in a “traffic boost” logic but with a focus on developing highly profiled communities. In the women's segment, the new section "Milleunadonna Salute" was launched, developed in collaboration with VediamociChiara, the leading Italian portal for women's health and a partner of numerous medical and scientific communities. The aim of the partnership is to expand Tiscali Media's presence in the rapidly growing health and wellness sector by integrating the content offering with the sale of dedicated products and services. This will attract investments from companies in the sector interested in developing branded content and content marketing initiatives enriched with innovative digital formats such as vertical marketplaces, lead generation and acquisition campaigns, and video-shopping. The target audience is highly profiled, ensuring superior conversion rates.

The partnership with VediamociChiara also aims to organize in-person events, creating opportunities for meetings between the community of women, experts, and companies in the sector. The first event was held at the Sa Illetta headquarters in May 2025.

b) **Social development**: the activities aimed at developing and growing the social media channels continued, which saw an increase in followers and interactions in 2024 thanks to participation in high-profile events such as Sanremo, collaborations with influencers, and the creation of native social content.
c) **Newsletters were launched for Bike, Milleunadonna, and Gamesurf** as tools for acquiring data and audience profiling, as well as creating a new first-party contact channel.
d) As far as the **Bike** vertical is concerned, it is a unique multimedia offering in the European biking world that unites its three "souls" (Sports, Cycle Tourism, and Green Mobility), saw a complete relaunch of the TV editorial offering (with a renewed schedule, new productions, new content, and new collaborations). The *quarterly magazine*, historically in print and sold bundled with Forbes, is evolving into a digital and independent format, aiming to expand its distribution and increase its profitability. At the end of 2024, a new website was launched, designed to become the digital reference point for two-wheel enthusiasts and a commercial showcase for companies and local authorities in the sector. An AI-based chatbot, the *Bike Concierge*, will soon be integrated, designed to assist bikers in creating personalized itineraries based on their needs and interests. The chatbot will offer an integrated experience, combining maps, technical information, cultural and scenic points of interest, and will also highlight bike points along the route, such as restaurants, specialty stores, and bike hotels.
e) An **experimentation process was launched on AI tools** to support the Media team in content creation.
f) An **analysis and review process** was initiated for costs related to suppliers and external collaborators, aimed at greater rationalization and cost containment.

Activities in the Business Services and Public Administration Segment

<u>*Piano Scuola 4.0*</u>

The "Piano Scuola" project, designed to support Italian schools with solutions for new learning environments and accelerate digital transformation, concluded at the end of November 2024, confirming total budgeted revenues of EUR 2.1 million.

High Value Business (HVB)

In the second half of 2024, a comprehensive review project was launched for Tiscali's B2B services portfolio, targeting SMEs and large enterprises, with a strong focus on developing technological synergies and enhancing the Indirect Channel in collaboration with XStream, another company within the Tessellis Group. The service portfolio will be expanded to include *as a service* solutions in both infrastructure (IaaS and PaaS) and applications, leveraging strategic partnerships with major national Cloud players and Cybersecurity service providers, while also offering dedicated professional services for the Large Account segment, capitalizing on the Group's expertise.

Innovation

Within Tessellis' Innovation program, Future Communities – dedicated to developing new business models to promote the digital growth of businesses and territories – initiatives were implemented based on an Open Innovation model that integrates internal and external ideas. This approach has fostered a collaborative and inclusive system involving startups, research centres, and industrial partners, with the aim of developing solutions that address current needs and anticipate future demands.

Through Tiscali's participation in pre-acceleration startup programs like Boost Your Ideas, promoted by Lazio Innova, and co-innovation initiatives like Open Italy, with Elis Innovation Hub, Tessellis has positioned itself at the forefront of national innovation initiatives, feeding its external partner ecosystem and facilitating the identification of the most promising solutions in line with key market trends.

Additionally, a structured process was introduced for scouting innovative solutions, based on identifying internal needs, regularly involving Tiscali's key department heads, and presenting selected startups to foster collaboration pathways under the Open Innovation approach, supporting prototyping, testing, and service industrialization.

Among the initiatives to promote and disseminate innovation-related tools and skills, the first edition of the "Tiscali Idea Generation Lab" was launched – an internal entrepreneurship initiative designed with the People Value Department to foster the generation of innovative business ideas for the B2B and B2G markets – and a training course was provided, as a partner in the "Percorso d'Eccellenza" of the Management Engineering program at the University of Calabria, by organizing a corporate roleplay: the "Tiscali Corporate Innovation Challenge."

Participation in innovative technological initiatives such as the "Case delle Tecnologie Emergenti" (CTE) and "Ville Venete Virtual Reality Boat" as a partner with the Municipalities of Pesaro and Campobasso and the Iuav University of Venice enabled the launch and continuation of experimental developments of innovative services in the Smart City space, leveraging Tiscali's technological assets and the Innovation LAB ecosystem.

In particular, the CTEs of Campobasso and Pesaro – initiatives funded for the Municipalities by the Ministry (MIMIT) under the "5G Technology Support Program" – aimed to establish research and experimentation centres in the funded Municipalities, supporting the creation of startups and the transfer of technology to SMEs, specifically in the use of Emerging Technologies such as 5G, Cloud, AI, Blockchain, and the Internet of Things

(IoT). In addition to the direct provision of technological assets and vertical services in the early commercialization phase (5G NPN, Cloud Services, HighView), developments launched with the support of partners, Tessellis Group companies, and the universities involved alongside the funded Municipalities include: solutions integrating new technologies like Generative AI for enhancing cultural heritage and creating a personalized, immersive tourist experience (including encouraging active citizen participation); solutions supporting Municipalities in real-time monitoring of urban green spaces (Verdeview), road signage status, and parking space occupancy and payment status – including potential infringement detection (ParcheggIAmo); a Generative AI-based concierge service to help citizens and tourists efficiently, flexibly, and personally organize their vacations or visits to cultural attractions in Molise (zIA); a GIS map and Virtual Reality Tour of Campobasso, where citizens and tourists can locate points of interest on various topics organized in layers; and a Generative AI-based virtual assistant dedicated to cycling enthusiasts, helping users plan cycling itineraries in Molise, providing information and guidance on route characteristics, and customizing them based on the user's interests and needs (PedalIAmo).

The first results were presented at events organized by the MIMIT – i.e., "Roadshows" in Campobasso and Pesaro – and at dedicated events showcasing the application of 5G Technology at the CTEs, while in the second half of the year, field validation activities were promoted involving the Municipalities and Research Partners to facilitate the transition from prototyping to pre-industrialization.

Also within the Smart Cities services space, the Tessellis Group continues its collaboration with several partners specializing in intelligent video surveillance (Aitek S.p.A. and Lightspeed) and delivers its video analysis services under the commercial brand Tiscali HighView. To complete the portfolio of cloud-based products and services and enhance the overall attractiveness and competitiveness of the offer, a new partner, Merit Lilin, was selected. Public Administration and Companies are the target for the end-to-end HighView solutions. In addition to supplying and installing video surveillance systems and providing video analysis and IoT sensor services for monitoring critical infrastructures such as bridges and viaducts, Tiscali is working on the development and deployment of smart parking services (MolisCTE), smart mobility (CTE Square), public green spaces, smart tourism and urban decor, as well as modernizing and improving the efficiency of integrated waste management – combining technological innovation and artificial intelligence with the provision of advanced connectivity services in both Ultrabroadband FWA and FTTH.

Total revenues from the "Innovation" segment as of 31 December 2024 amounted to EUR 4.5 million, a significant increase compared to EUR 3.7 million as of 31 December 2023.

IPCEI-CIS European Project

In December 2023, Tiscali officially launched the Villanova Project as part of the IPCEI-CIS (Important Projects of Common European Interest – Cloud Infrastructure and Services), a strategic and transnational collaboration promoted by the European Union. The Villanova Project aims to develop advanced Generative Artificial Intelligence (GenAI) multimodal solutions, making a significant contribution to building an interoperable European data processing ecosystem that synergistically integrates cloud and edge technologies.

The project evolved significantly during 2024. Tiscali had officially notified MIMIT of the project start date, set for 11 December 2023. At the same time, working groups were launched with other European participants in the IPCEI-CIS initiative, with the aim of ensuring interoperability among the technological solutions proposed by various companies, in compliance with European guidelines. These activities are essential to promote the creation of a multi-provider cloud-to-edge infrastructure and to foster effective collaborations with industrial and research partners.

During 2024, technical activities were initiated to establish the Villanova Laboratory, which will serve as the central platform for Research and Development (RDI) and for testing (FDI) technological solutions. In parallel, the technical architecture required for crawling activities was designed, with the goal of populating the data lake. This data lake will serve as a scalable and versatile infrastructure capable of storing and managing large volumes of heterogeneous data, ensuring data integrity and flexibility. These data will be crucial for feeding analysis processes and Artificial Intelligence applications that will form the backbone of the project.

At the same time, work is underway to define the architectural components that will be released as open source, with the aim of promoting the reuse and sharing of the solutions developed, thus fostering the creation of a collaborative ecosystem based on open technologies.

These developments are essential for the creation and implementation of the proposed GenAI platforms, which will overcome the current technological and language barriers to the use of Generative Artificial Intelligence in Europe.

In parallel, discussions with partners are ongoing to explore technical collaboration and specialization areas, ensuring synergy among the expertise of the companies involved in the project. Tiscali is also advancing initiatives to identify further collaborations aimed at enhancing the data sources needed to train the artificial intelligence models under development.

Activities continue in line with the project’s developments at the European level. In particular, Tiscali participated in the NexusForum2024 Summit, held on 19 and 20 September, which was attended by over 200 registered experts in cloud, edge, and digital sovereignty. During the event, Tiscali took part in various technical working groups, where it shared project progress and engaged with other European companies to explore new high-impact technology collaboration opportunities.

In line with the Updated 2025–2028 Business Plan, Tiscali continues to promote the development of innovative technologies, with a particular focus on Generative Artificial Intelligence and digital transformation, thus creating new opportunities for sustainable growth and competitiveness at both national and European levels.

From a formal procedural perspective, on 9 May 2024, Tiscali Italia, as required by *the Ministerial Decree of 23 February 2024 – IPCEI Cloud Infrastructure and Services (CIS)*, submitted via the platform provided by MIMIT the “Application for Financial Assistance” relating to the Villanova IPCEI-CIS Project.

On 30 September 2024, Tiscali Italia S.p.A. formally received from MIMIT the *Grant Decree* for the requested financial assistance for the Villanova IPCEI-CIS Project. The Decree certifies the total eligible amount for the Project and its duration. The Decree, countersigned by the Company, was returned to MIMIT for acceptance on 8 October 2024, enabling the formal start of the project activities.

Additionally, in April 2025, a non-binding agreement was signed with Expert AI aimed at creating a NewCo to which the Villanova Project will be transferred, in order to jointly develop the project and reduce the financial requirements arising from it.

LLMs4EU European Project

Tiscali is part of the consortium of European partners collaborating on the LLMs4EU project (Large Language Models for the European Union), coordinated by ALT-EDIC (Alliance for Language Technologies), a Consortium established on 7 February 2024 by the European Commission as part of the Digital Europe Programme. ALT-EDIC aims to enhance Europe's linguistic and cultural diversity by developing robust, accurate, ethical, and secure language technologies, ensuring European data sovereignty, and increasing the competitiveness of European SMEs and large industries.

On 4 December 2024, the LLMs4EU project received formal notification from the European Commission that it had reached the Grant Agreement phase.

The objective of the LLMs4EU project is to collect linguistic data of sufficient quantity and quality to build large foundational language models (LLMs) adapted to specific languages, domains, or sectors, providing dedicated support and services that enable others to fine-tune the available models.

Within the project, five use cases will be developed to contribute to the data infrastructure of ALT-EDIC.

In particular, Tiscali will make its specific contribution to the **Telecommunications** Use Case, a sector in which all partners have identified a set of relevant data to bring into the consortium, ranging from regulatory documents to customer service data, in various languages. The participation of technical partners for data anonymization and legal partners to carefully examine copyright issues will be advantageous for creating relevant, compliant, and secure datasets.

The project began in March 2025 and has a three-year duration.

Acquisition of the Go Internet Group

On 31 May 2024, through a complex investment transaction described below, the Tessellis Group acquired 77.04% of the share capital of Go Internet S.p.A. (hereinafter also referred to as the "Transaction").

Subsequently, on 29 July 2024, following the successful outcome of the tender offer (OPA) on Go Internet shares launched by BID GO, a company 100% owned by Tiscali Italia S.p.A., the Transaction was finalized through the acquisition of an additional 20.191% stake, bringing the total shareholding to 97.231%.

The Transaction enabled the Tessellis Group to expand its service portfolio, sales network, and B2BX customer base, accelerating the achievement of the objectives of one of the pillars of its Business Plan.

The following paragraphs describe:

A) the corporate and legal steps through which the Transaction was carried out;

B) the accounting effects of the Transaction.

A) Legal and Corporate Aspects of the Transaction

On 30 November 2023, Tessellis S.p.A., ShellNet S.p.A., and Go Internet S.p.A. ("Go Internet"), a company whose shares are traded on Euronext Growth Milan, signed an agreement (the "Investment Agreement") for the implementation of a comprehensive investment transaction by Tessellis in Go Internet (hereinafter also referred to as the “Transaction”).

During 2024, the Transaction was executed through the steps described below:

1) *27 May 2024 – Fulfilment of the Conditions Precedent*

On 27 May 2024, the residual conditions precedent set forth in the Investment Agreement entered into by Tessellis S.p.A., ShellNet S.p.A., and Go Internet on 30 November 2023, as subsequently amended on 30 April 2024, were deemed fulfilled. Consequently, these companies agreed to proceed with the closing of the Transaction (hereinafter also referred to as the “Closing”). Tessellis designated BID-GO S.r.l. (hereinafter also referred to as “BID-GO”), whose share capital is wholly owned by Tiscali Italia S.p.A., a company wholly controlled by Tessellis, to subscribe to the share capital increase resolved by the Shareholders’ Meeting of Go Internet on 22 December 2023, for an amount up to EUR 3,350,000.00, excluding pre-emptive rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code (hereinafter also referred to as the “Reserved Capital Increase”).

On 27 May 2024, BID-GO subscribed to the Reserved Capital Increase, with an effective date set for 31 May 2024, by offsetting the trade receivable owed by ShellNet to Go Internet for the supply of certain services. This receivable was acquired by BID-GO at the time of subscription in the context of the Closing, for an amount equal to EUR 3,349,999.62. As a result, 4,135,802 new shares of Go Internet (hereinafter also referred to as the “New Shares”) were issued, representing 77.04% of Go Internet’s share capital (as increased following this subscription).

2) *31 May 2024 – Effectiveness of the Subscription to the Reserved Capital Increase of Go Internet*

On 31 May 2024, the subscription by the Offeror – as the designated company controlled by Tessellis pursuant to the Investment Agreement – to the share capital increase of Go Internet, excluding pre-emptive rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, resolved by the Extraordinary Shareholders’ Meeting of Go Internet on 22 December 2023 (hereinafter also referred to as the “Reserved Capital Increase”), became effective. The subscription to the Reserved Capital Increase took place through the offsetting of the trade receivable owed by ShellNet to Go Internet – assigned by ShellNet in favour of Tessellis and, through subsequent transactions, transferred to the Offeror on 27 May 2024 – for an amount equal to EUR 3,349,999.62.

As a result of the subscription to the Reserved Capital Increase, the Issuer issued in favour of the Offeror 4,135,802 ordinary shares of Go Internet, representing 77.04% of the Issuer’s share capital (as increased following this subscription).

Consequently, the legal conditions were met for the Offeror to launch a mandatory full public tender offer (hereinafter also referred to as the “Offer”) for the ordinary shares of Go Internet (hereinafter also referred to as the “Shares”), a company whose shares are listed on the Euronext Growth Milan multilateral trading system, organized and managed by Borsa Italiana S.p.A. (hereinafter also referred to as “Borsa Italiana”), pursuant to Articles 102 and 106, paragraph 1, of the TUF, as referenced in Article 9 of the Articles of Association.

3) *14 June 2024 – Publication of the Offer Document for the Mandatory Full Public Tender Offer*

On that date, BID-GO S.r.l. (hereinafter also referred to as the “Offeror” or “BID-GO”) published the offer document (hereinafter also referred to as the “Offer Document”) relating to the mandatory full public tender offer (hereinafter also referred to as the “Offer”), pursuant to Article 106 of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented (hereinafter also referred to as the “TUF”), as referenced in Article 9 of the Articles of Association of the Issuer (as defined below), for the ordinary shares of Go Internet.

4) *15 July 2024 – GO Public Tender Offer – Final Results*

Based on the final results communicated by Banca Akros S.p.A. – Banco BPM Group (hereinafter also referred to as “Banca Akros”), as the Intermediary Responsible for Coordinating the Collection of Acceptances, the Offeror announces that, during the Acceptance Period (i.e. from 17 June 2024 to 12 July 2024), 931,223 shares were tendered in acceptance of the Offer, representing 17.346% of the Issuer’s share capital (equal to 17.176% of the Issuer’s share capital on a fully diluted basis, following the potential exercise of all Warrants), and equal to 76.062% of the outstanding Shares subject to the Offer, for a total consideration of EUR 754,290.63.

5) *29 July 2024 – Final Results of the Offer Following the Reopening of the Acceptance Period*

On that date, the Offeror announced the final results of the Offer following the Reopening of the Acceptance Period.

Based on the final results communicated by Banca Akros S.p.A., the Offeror announced that during the Reopening of the Acceptance Period (i.e. from 22 July 2024 to 26 July 2024, inclusive), 144,447 Shares were tendered in acceptance of the Offer, representing 2.691% of the Issuer’s share capital (equal to 2.664% of the Issuer’s share capital on a fully diluted basis, following the potential exercise of all Warrants), and equal to 11.798% of the outstanding Shares subject to the Offer, for a total consideration of EUR 117,002.07.

Accordingly, the provisional results of the Offer following the Reopening of the Acceptance Period, as disclosed in the relevant press release dated 26 July 2024, were confirmed. It should be noted that neither the Offeror, nor ShellNet S.p.A., Tessellis, or Tiscali Italia S.p.A., in their capacity as Persons Acting in Concert with the Offeror, purchased any Shares of the Issuer on the market during the Reopening of the Acceptance Period.

Therefore, the Offeror, together with the Persons Acting in Concert, held as of the Payment Date following the Reopening of the Acceptance Period (i.e. 2 August 2024) a total of 5,219,823 Shares, representing 97.231% of the Issuer’s share capital.

Payment of the Consideration for each Share of the Issuer tendered in acceptance of the Offer during the Reopening of the Acceptance Period (equal to EUR 0.81 per Share) was made – upon simultaneous transfer of ownership of said Shares to the Offeror – on the Payment Date following the Reopening of the Acceptance Period, i.e. 2 August 2024.

Finally, it should be noted that 8,352 shares at a unit price of EUR 0.81 per share were acquired by the shareholder ShellNet.

The total number of shares issued in connection with the completion of the entire Transaction amounts to 5,129,823 shares.

Delisting

The Offer was aimed at the delisting of the Shares of Go Internet (hereinafter also referred to as the "Delisting"). In this regard, during the Acceptance Period of the Offer, the Offeror – taking into account the Shares held by the Persons Acting in Concert – came to hold an aggregate percentage exceeding 90% of the Issuer's share capital. Consequently, as indicated in the Offer Document, pursuant to Article 41 of the "Part Two – Guidelines" of the Euronext Growth Milan Regulation, the Delisting took effect without the need for prior approval from the Issuer's shareholders and was effective as of the first trading day following the Payment Date after the Reopening of the Acceptance Period, i.e. 5 August 2024.

For further details on the Transaction, please refer to the Company's website, section "*Comunicati Societari*", year 2024: https://www.tessellis.it/comunicati/

B) Accounting Aspects of the Transaction

As of the acquisition date (31 May 2024), the purchase price paid for the acquisition of 77.04% of the share capital of Go Internet was EUR 3,349,999.62, corresponding to the nominal value of the receivable owed by ShellNet to Go Internet. This receivable was acquired by BID GO and contributed to the share capital of Go Internet through the Reserved Capital Increase carried out on 27 May 2024, resulting in the issuance of 4,135,802 shares at a unit price of EUR 0.81 per share.

Subsequently, on 29 July 2024, following the successful outcome of the tender offer on Go Internet shares launched by BID GO, the Group acquired an additional 20.191% stake, bringing the total shareholding to 97.231%. The price paid for the additional stake corresponds to the price of the shares acquired in the tender offer, totalling 1,084,021 shares at a unit price of EUR 0.81 per share, for a total consideration of EUR 878,057. In addition, 8,352 shares at a unit price of EUR 0.81 per share were acquired by the shareholder ShellNet.

The total price paid for the Transaction amounts to EUR 4,228,057, and resulted in the issuance of a total of 5,219,823 shares.

The net carrying amount of the assets and liabilities acquired as of the acquisition date is EUR 2.7 million. This amount includes the net carrying amount of Go Internet's assets and the net carrying amount of the assets of X Stream, a company wholly owned by Go Internet.

As of the acquisition date, the assets and liabilities of the acquired companies were incorporated into the consolidated financial statements of the Tessellis Group at their carrying amount, with the residual value recognized as goodwill. Subsequently, following the acquisition of the additional 20.191% stake, the Directors completed the Purchase Price Allocation (PPA) process, identifying the following adjustments/eliminations with respect to the aforementioned net carrying amount of the acquired assets, evaluating them at fair value:

- Elimination of deferred tax assets, as they were considered not recoverable, for a total amount of EUR 4.7 million.
- Recognition of a provision for risks of EUR 2 million to cover certain ongoing disputes with some suppliers.

Net of the aforementioned eliminations/adjustments, and net of the non-controlling interests amounting to EUR 112 thousand (2.77%), the Directors identified a residual goodwill amount of EUR 8.4 million, which was recognized at the consolidated level.

The PPA process was thus completed within 12 months from the acquisition date, as required by IFRS 3, considering 31 May 2024 as the initial control date, given that the Company intended from the outset to acquire the majority stake.

The following table summarizes the outcomes of the PPA process and the resulting determination of residual goodwill:

	Goodwill Go Internet Group	
	(€/000)	
(A)	**Purchase price**	**4,228**
		0
	Net assets/liabilities as 31.05.24-book value	**2,690**
	Effects of PPA process:	0
	elimination of deferred tax assets	(4,732)
	provision for risk fund	(2,000)
	Total effects of PPA process:	**(6,732)**
		0
(B)	**Net assets/liabilities as of 31.05.24-including PPA effects**	**(4,042)**
(C)	Minority interests	(112)
	Residual Goodwill (A) - (B) - (C)	**8,382**

Other Corporate and Financial Transactions Carried Out in 2024

21 February 2024 – Investment Agreement between Tessellis S.p.A. and Istella S.p.A.

On 21 February 2024, Tessellis S.p.A. and Istella S.p.A. signed a binding letter of intent for the implementation of a comprehensive investment transaction by Tessellis, or another company within the same Group, in Istella (hereinafter also referred to as the “Transaction”). The Transaction, which was subject to the fulfilment of certain conditions precedent, was finalized in September 2024 and resulted in the subscription by Tiscali Italia S.p.A. to a capital increase in Istella for a total amount (including share premium) of EUR 400,000, excluding pre-emptive rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code (hereinafter also referred to as the “Reserved Capital Increase”), corresponding to a 3.51% stake in Istella’s share capital.

Given that Mr. Renato Soru, Chairman of the Board of Directors of Tessellis until 21 February 2024, is also the main shareholder of Istella, the Transaction constituted a related-party transaction in connection with the subscription to the Reserved Capital Increase. The Transaction, classified as of Lesser Significance, received a favourable opinion from the Related Party Transactions Committee of Tessellis in accordance with applicable regulations.

Mr. Soru is not a member of any Board committee and currently holds a stake in the Company equal to 1.35%.

19 April 2024 – Acquisition by Jefferies Financial Group Inc. of Indirect Control of Tessellis S.p.A.

On 19 April 2024, Tessellis S.p.A. received a communication pursuant to Article 117 of Consob Regulation No. 11971/99 (hereinafter also referred to as the “Issuers’ Regulation”) from Jefferies Financial Group Inc. regarding the acquisition of an indirect controlling interest. Specifically, Jefferies Financial Group Inc. notified the Company of the acquisition of the majority of voting rights in ShellNet S.p.A. (hereinafter also referred to as “ShellNet,” formerly OpNet S.p.A.) – a company that currently holds 56.5% of the Company’s share capital – through its subsidiary BEI Italia Wireless, LLC, following the conversion of preferred shares into ordinary shares held by BEI Italia Wireless, LLC in ShellNet (hereinafter also referred to as the “Conversion”).

17 June 2024 – Resolutions of the Ordinary and Extraordinary Shareholders’ Meeting of Tessellis S.p.A.

a) *Reduction of the Share Capital of Tessellis S.p.A.*

On 17 June 2024, the Ordinary and Extraordinary Shareholders’ Meeting of Tessellis resolved to cover the current year’s loss and accumulated losses from previous years by reducing the share capital by a corresponding amount. The voluntary reduction of share capital (pursuant to Article 2445 of the Italian Civil Code), amounting to EUR 3,978,911.85, was carried out without cancelling any shares, as the shares do not have an expressed nominal value.

The same Shareholders’ Meeting also resolved on a voluntary reduction of the share capital (pursuant to Article 2445 of the Italian Civil Code) for an additional amount of EUR 85,013,818.32, with a corresponding increase in Other Reserves. This reduction was likewise executed without cancelling any shares, given the absence of an expressed nominal value.

b) *Amendment to the Terms of the Convertible Bond Loan with Nice & Green*

On 17 June 2024, the Ordinary and Extraordinary Shareholders’ Meeting of Tessellis resolved to amend the terms of the convertible and converting bond loan reserved for Nice & Green (PoC2023), modifying the original resolution adopted by the Shareholders’ Meeting on 16 April 2022. The new structure foresees a total amount of EUR 62 million, composed of 31 tranches of EUR 2,000,000 each, through the issuance of convertible bonds with a nominal value of EUR 100,000 per bond. The bonds will mature on 31 December 2027 and will be irrevocably converted on that date.

8 October 2024 – Execution of a Shareholder Loan Agreement Between ShellNet S.p.A. and Tessellis S.p.A.

On this date, Tessellis S.p.A. entered into a shareholder loan agreement (the “Loan Agreement”) with its controlling shareholder ShellNet S.p.A. (hereinafter also referred to as “ShellNet” and the “Transaction” or the “Shareholder Loan”), following the favourable opinion of the Control and Risk Committee and the Related Party Transactions Committee (hereinafter also referred to as the “OPC Committee”).

The Shareholder Loan was disbursed in a single instalment for a principal amount of EUR 15 million, through the conversion into a financial loan of certain receivables (hereinafter also referred to as “Tiscali Receivables”) arising from commercial relationships between ShellNet and Tiscali Italia S.p.A., a company controlled by

Tessellis. These receivables were assumed as financial debt by Tessellis on the same date through a formal assumption of debt agreement (hereinafter also referred to as the “Assumption Agreement”). Accordingly, this Transaction resulted in the conversion of a portion of Tessellis’ commercial payables to ShellNet into financial debt. The granting of the Shareholder Loan forms part of the broader framework of financial support provided by ShellNet in the context of sustaining Tessellis’ and its Group’s going concern.
Pursuant to Consob Regulation No. 17221 of 12 March 2010 (hereinafter also referred to as the “Consob Regulation”), as subsequently amended and supplemented, the granting of the Shareholder Loan qualifies as a related-party transaction due to ShellNet’s control over Tessellis. In consideration of the amount of the Tiscali Receivables converted, the Transaction is classified as a Related-Party Transaction of Greater Importance, based on the value threshold set out in Annex 3 to the Consob Regulation. Consequently, in compliance with the Consob Regulation, the Transaction was submitted to the OPC Committee, which issued a favourable opinion regarding Tessellis’ interest in proceeding with the Shareholder Loan, as well as on the fairness and substantive correctness of its terms and conditions.
In connection with the Transaction, Tessellis published the disclosure document required for Related-Party Transactions of Greater Importance, in accordance with the applicable regulatory requirements. Lastly, it is noted that the execution of the Assumption Agreement also constitutes a related-party transaction between Tessellis and Tiscali Italia. However, it qualifies for exemption from the application of the Company’s Related-Party Transaction Procedure approved by the Board of Directors on 28 July 2021 (hereinafter also referred to as the “OPC Procedure”). Specifically, the exemption applies to transactions with subsidiaries (provided no other related parties of the Company have significant interests therein) as set forth in Article 11, first paragraph, letter c) of the OPC Procedure.

30 October 2024 – Restoration to Performing Status of the Senior Loan Dossier

On this date, as part of discussions with one of the Group’s principal lending institutions, the dossier relating to the senior loan agreement was formally restored to performing status. This key development represents the main prerequisite for initiating the process of renegotiating the terms of the senior loan, which the Company has undertaken in support of the execution of the Updated 2025-2028 Business Plan. Tessellis is currently preparing the documentation requested by the lending institutions in connection with this process.

19 December 2024 – Approval of Capital Increase Reserved for the Shareholder ShellNet S.p.A. and Subsequent Subscription of the First and Second Tranche

On 19 December 2024, the Board of Directors resolved to partially execute the authority pursuant to Article 2443 of the Italian Civil Code, granted to it by the Shareholders’ Meeting on 10 January 2023, for a share capital increase of up to EUR 60 million (including share premium), partially executed on 11 May and 19 June 2023. The purpose of the transaction is to strengthen the Company’s equity base and implement the proposal received on 16 December 2024 from ShellNet S.p.A. (hereinafter also referred to as “ShellNet”), the current controlling shareholder of the Company and of the Tessellis Group (hereinafter also referred to as the “Group”), to whom the Company had outstanding commercial and financial payables as of that date totalling approximately EUR 61 million, arising over the last two financial years.

ShellNet expressed its willingness to convert a portion of the above-mentioned debt into equity, based on a debt-to-equity conversion ratio of 1 to 1, through the subscription of a capital increase reserved to it, to be executed in two tranches by 31 March 2025, at an issue price equal to the average of the daily VWAPs recorded by Tessellis shares over the ten trading days prior to the execution of each tranche.

Following a review of the proposal by the Related Party Transactions Committee of Tessellis and the issuance of a favourable opinion regarding the Company's interest in proceeding with the transaction, as well as the fairness and substantive appropriateness of its terms and conditions, on 17 December 2024 the Board of Directors of Tessellis resolved to accept ShellNet's proposal through a Subscription Agreement.

Pursuant to the aforementioned Agreement, on 19 December 2024, the Board of Directors of Tessellis S.p.A. resolved to approve a paid share capital increase, divisible and progressive, for a total maximum amount of EUR 15,000,000.00 including share premium, to be carried out through the issuance of ordinary shares, with no par value, having the same characteristics as those already in circulation (to be issued with regular dividend rights), to be offered in two tranches and with the exclusion of pre-emptive rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, to ShellNet S.p.A., through voluntary offsetting of certain, liquid and payable receivables, based on a debt-to-equity conversion ratio of 1 to 1.

The Subscription Agreement stipulated that the capital increase be completed by the final deadline of 31 March 2025, and executed as follows:

(a) the first tranche, up to a maximum of EUR 7,000,000.00 including share premium, to be subscribed by 31 December 2024;

(b) the second tranche, up to a maximum of EUR 8,000,000.00 including share premium, to be subscribed by 31 March 2025.

19 December 2024 – Subscription of the First Tranche of the Reserved Capital Increase

On 19 December 2024, the shareholder ShellNet S.p.A. subscribed to the first tranche of the Capital Increase reserved for it, for a total amount of EUR 7 million. Following this subscription, 28,771,064 ordinary shares were issued, having the same rights as the existing shares, but not listed, as the shareholder waived the condition of immediate admission to trading for both tranches of the Capital Increase.

23 December 2024 – Waiver of Receivables from Tessellis to Tiscali Italia

On 23 December 2024, the parent company Tessellis S.p.A. formally waived, by means of an official notice, a financial receivable owed by its subsidiary Tiscali Italia S.p.A. for a total amount of EUR 14,496,783.73.

28 March 2025 – Subscription of the Second Tranche of the Reserved Capital Increase

Following the initial subscription on 19 December 2024, on 28 March 2025 the shareholder ShellNet S.p.A. subscribed to the second tranche of the Capital Increase reserved for it, for a total amount of EUR 8 million. In execution of the subscription, 41,025,641 ordinary shares were issued, having the same rights as the existing shares, but not listed, as the shareholder waived the condition of immediate admission to trading for both tranches of the Capital Increase.

This capital increase represented a significant opportunity for the Company to extinguish a portion of its existing debts to ShellNet through their conversion into equity. The full execution of the capital increase resulted in a total increase in Tessellis' shareholders' equity of EUR 15 million – comprising share capital and reserves – and a corresponding reduction in both current and non-current debt for the same amount. Therefore, the execution of the transaction did not result in a cash inflow for the Company but did lead to an improvement in its net financial position and overall debt exposure.

As this transaction qualifies as a "Related-Party Transaction of Greater Importance," the Company published the Information Document required under Article 5 of CONSOB Regulation No. 17221 of 2010, prepared in accordance with Annex 4 of the same Regulation.

Issuance of 175 POC 2023 Bonds

From July 2024 to the date of this Report, the Company issued 175 bonds under the Convertible and Converting Bond Loan reserved for Nice & Green (POC 2023), for a total nominal value of EUR 17.5 million. As of the date of this Report, 171 bonds have been converted into equity, for a total value of EUR 17.1 million.

Research and Development

In the course of 2024, software development activities were carried out to support the evolution of the fixed and mobile network toward new market standards (5G, UltraBroadband), enabling the Group to deliver increasingly high-performance services to its customers. In addition, IT systems were upgraded – including ERP and CRM platforms – to ensure more effective and efficient business management. Research activities were also undertaken in preparation for the implementation of the Villanova Project – IPCEI CIS.

4.4 Analysis of the Economic, Equity and Financial Position of the Group

4.4.1 Analysis of the Economic Position of the Group

Income Performance

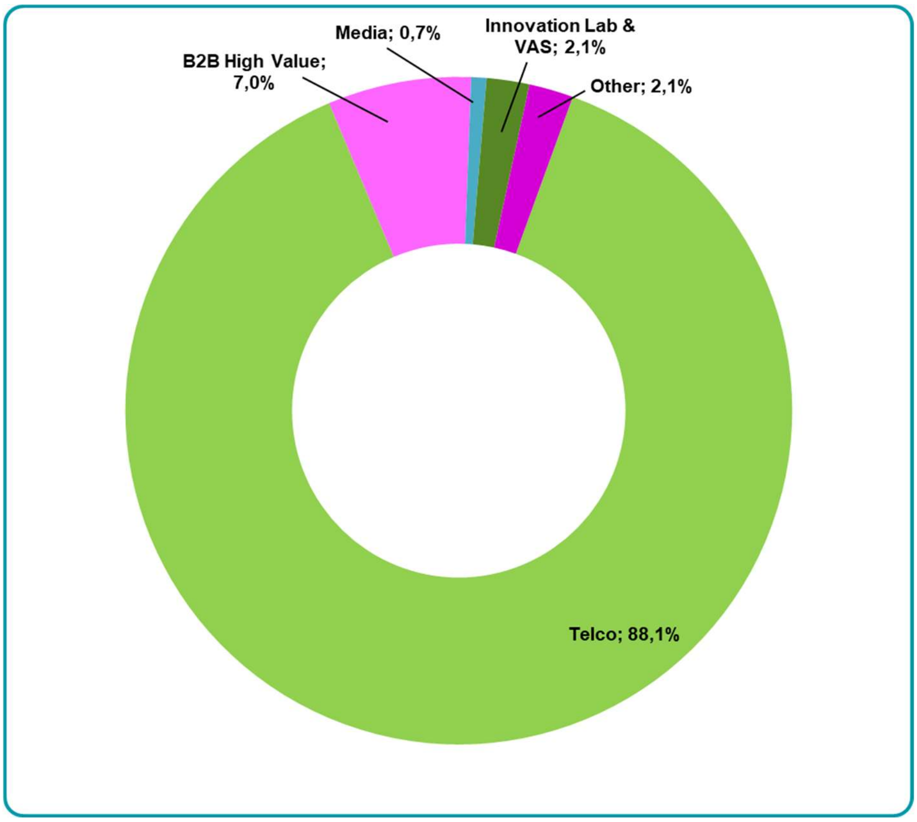
The main consolidated income figures for the 2024 financial year are presented below.
In this financial year, no non-recurring items were recorded pursuant to CONSOB Resolution No. 15519 of 27 July 2006.

Income Statement by Line of Business	2024	2023
(EUR million)		
Revenues and Other Income	**219.8**	**233.9**
Telco Revenues	**191.1**	**206.0**
of which Fixed Broadband	*83.4*	*84.6*
of which FWA Broadband	*85.1*	*101.2*
of which MVNO	*22.6*	*20.2*
Revenues from Enterprise and Value-Added Services and Media	**21.2**	**23.0**
of which Enterprise Services	*14.1*	*8.0*
of which Sale of IPv4 Addresses	-	*8.6*
of which Wholesale	*1.0*	*1.0*
of which VAS and Innovative Services	*4.5*	*3.7*
of which Media	*1.6*	*1.7*
Other Revenues	**4.7**	**2.2**
Other Income	**2.8**	**2.7**
Gross Margin	**97.8**	**107.6**
Indirect Operating Costs	**68.7**	**67.3**
Marketing and Sales	*2.1*	*3.1*
Personnel Costs	*35.1*	*37.0*
Network and IT Costs	*15.9*	*17.7*
Other General Costs	*15.6*	*9.4*
Impairment of Receivables	**3.1**	**5.6**
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	**26.0**	**34.7**
Restructuring Costs and Other Provisions	*3.8*	*3.1*
Depreciation	*70.2*	*81.6*
Impairment of Fixed Assets	*2.7*	*4.8*
EBIT (Earnings Before Interest and Taxes)	**(48.1)**	**(54.7)**
Net Result	**(57.9)**	**(62.2)**

It should be noted that, for the purpose of improving comparability between 2024 and 2023 revenues, a reclassification of approximately EUR 2 million was made in the table above, from Enterprise Services Revenues to Other Revenues as of 31 December 2023.

Revenue Breakdown by Business Line and Access Mode

Below is an analysis of revenues by business line.



As of 31 December 2024, total revenues – including other income – amounted to EUR 219.8 million. These can be broken down as follows:

- Telco Revenues: EUR 191.1 million, composed of revenues from Fixed Broadband, FWA Broadband, and MVNO services;
- Revenues from Enterprise and Value-Added Services (including Wholesale and revenue from the sale of IP addresses): EUR 15.1 million;
- Media Revenues: EUR 1.6 million;
- Revenues from Innovative Services and VAS: EUR 4.5 million;
- Other Revenues and Other Income: EUR 7.5 million.

<u>Telco Revenues</u>

As indicated above, Telco Revenues accounted for 86.9% of total revenues, compared to 88.1% in 2023. In this regard, it should be noted that the total customer base stood at 949 thousand units as of 31 December 2024, a decrease of approximately 73 thousand units compared to 31 December 2023 (–7.1%). The composition of the customer base is as follows:

Active Customer Base	31/12/2024	31/12/2023
Total Broadband Fixed	283.821	292.560
o/w Fiber	*268.856*	*274.917*
Total Broadband Wireless	313.921	401.050
Mobile (6 months in-out)	351.046	328.015
Total Customer	**948.788**	**1.021.625**

As of 31 December 2024, Telco Revenues amounted to EUR 191.1 million and are broken down as follows:

- Fixed Broadband Revenues: EUR 83.4 million;
- FWA Broadband Revenues: EUR 85.1 million;
- MVNO Revenues: EUR 22.6 million.

The decline in the Fixed Broadband and FWA Broadband customer base compared to 31 December 2023 – equal to 3% and 21.7%, respectively – is consistent with the strategic objective of focusing business development on higher-margin segments, such as Enterprise and Public Administration services, as well as mobile services.

The Mobile segment recorded growth of 23 thousand customers, reaching 351 thousand as of 31 December 2024, compared to 328 thousand as of 31 December 2023 (+7%). This growth is attributable to the increased focus on the development of this business area, supported by the launch of new offers throughout the year. These included a diversified product portfolio tailored to various market needs in terms of data traffic volume, and the introduction of 5G plans in May 2024 (for further details, see paragraph 4.3.1 “Main Activities Carried Out and Results Achieved in 2024”).

Revenues from Enterprise Services (including Wholesale and Sale of IP Addresses)

These revenues, derived from enterprise services (such as VPN services, housing, hosting, domains, and leased lines) and from the wholesale of infrastructure and network services (IRU, resale of voice traffic) to other operators – excluding products related to access and/or voice services aimed at the same customer segment already included in their respective business lines – including Wholesale revenues and revenues from the sale of IP addresses, amounted to EUR 15.1 million as of 31 December 2024, compared to EUR 17.7 million as of 31 December 2023. In 2023, this item included net revenues from the sale of IPv4 addresses totalling EUR 8.6 million, which decreased to EUR 28 thousand in 2024.

Specifically, revenues from Enterprise Services amounted to EUR 14.1 million, compared to EUR 16.6 million in the prior year, marking a decrease of EUR 2.5 million (–15.2%).

Revenues from VAS and Innovative Services

Revenues from VAS and Innovative Services, relating to the so-called “Future Communities” services, amounted to EUR 4.5 million in 2024, compared to EUR 3.7 million in 2023 – an increase of EUR 0.8 million. This growth was mainly driven by initiatives undertaken by the Company to develop services for enterprises and the Public

Administration during 2024, as described in paragraph “4.3.1 – Main Activities Carried Out and Results Achieved in 2024”.

Media Revenues

Revenues from the Media segment (mainly relating to the sale of advertising space) amounted to approximately EUR 1.6 million as of 31 December 2024, showing a slight decrease compared to the previous year.

Other Revenues

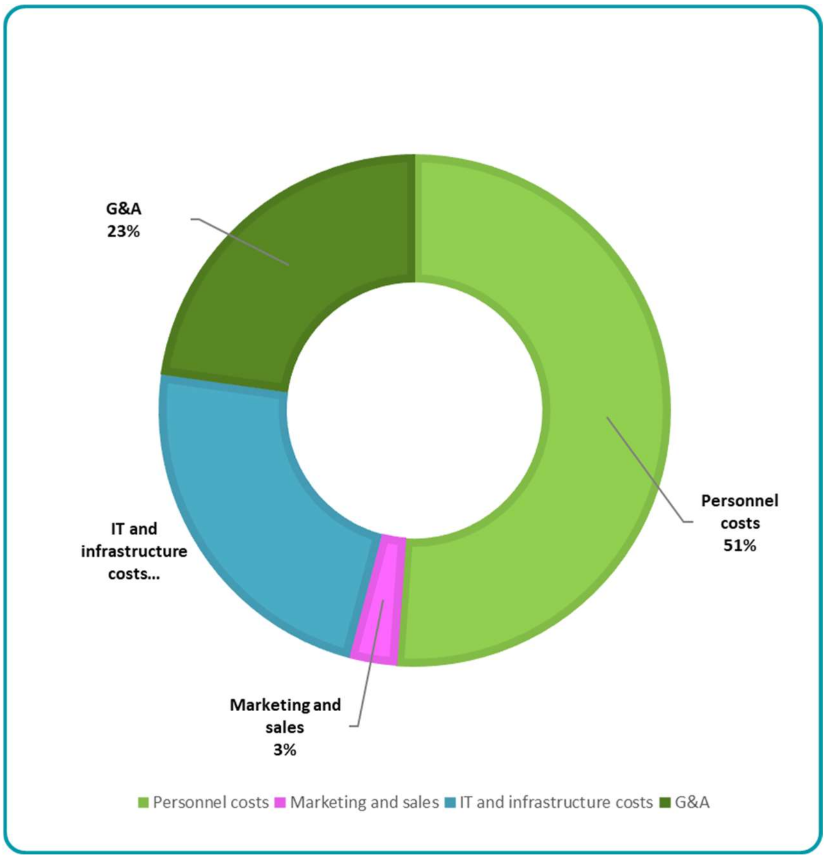
Other revenues as of 31 December 2024 amounted to EUR 4.7 million, compared to EUR 2.2 million recorded in 2023. These revenues primarily include penalties (such as those for failure to return modems, deactivation fees), rental income from third parties for space and workstations at the Sa Illetta headquarters in Cagliari, and various other revenues.

Other Income / (Expenses)

Other income (net of other expenses) amounted to EUR 2.8 million as of 31 December 2024 and includes, among other items: the Company’s share of tax credits related to investments under the “Bonus Sud” scheme, Industry 4.0, and other tax credits totalling EUR 2 million; income from the write-off of a receivable due from shareholder ShellNet in the amount of EUR 0.5 million recognized by the subsidiary Aetherna; and other net non-recurring income of approximately EUR 0.3 million, mainly attributable to the write-off of legacy payables to Group suppliers.

The **Gross Margin** amounted to EUR 97.8 million as of 31 December 2024, representing 44.5% of total revenues and other income, compared to EUR 107.6 million (46.5%) as of 31 December 2023.

Indirect operating costs totalled EUR 68.7 million as of 31 December 2024 and are broken down as follows:



Impact of IP Address Sales on Results

For a better comparative analysis of 2024 results versus the previous year, it should be noted that in 2023 the sale of IP addresses generated revenues of EUR 8.6 million, with an impact on EBIT of EUR 8.3 million (net of EUR 0.3 million in brokerage fees). By contrast, in the 2024 financial year, revenues from the sale of IP addresses amounted to only EUR 28 thousand.

Additionally, in 2024 an inventory write-down of EUR 0.5 million was recorded, as the unit sale price was lower than the unit carrying value of the inventory.

For illustrative purposes only, the table below shows Revenues and Other Income, EBITDA, and EBIT for the two financial years under comparison, both including and excluding the effects of the IP address sales (including inventory write-downs):

	2024	2023	delta	delta %
Revenue & Other Income	219.8	233.9	-14.1	*-6%*
of which sale of IPv4 addresses	*0.0*	*8.6*	*-8.6*	*-100%*
Revenues and other income, net of revenues from the sale of IP addresses	219.8	225.3	-5.5	0.0
Gross Operating Result (EBITDA)	26.0	34.7	-8.7	*-25%*
of which margin from the sale of IP addresses	*0.0*	*8.3*	*-8.3*	*-100%*
Gross Operating Result (EBITDA), net of margin from the sale of IP addresses	*25.9*	*26.4*	-0.5	-2%
Operating result (EBIT)	-48.1	-54.7	6.7	*-12%*
of which margin from the sale of IP addresses (incl. inventory write-down)	*-0.5*	*8.3*	*-8.8*	-
Operating result (EBIT) net of margin from the sale of IP addresses	*-47.5*	*-63.1*	15.5	-25%

4.4.2 Group Financial Situation

The Group's financial position as of 31 December 2024 is presented below, compared with that as of 31 December 2023.

Consolidated Statement of Financial Position (in abridged form)	31 December 2024	31 December 2023
(EUR million)		
Non-current assets	247.2	263.9
Current Assets	43.6	39.5
Total Assets	**290.7**	**303.3**
Shareholders' equity attributable to the Group	(14.3)	24.4
Shareholders' equity attributable to minority interests	1.5	1.0
Total Shareholders' Equity	**(12.8)**	**25.4**
Non-current liabilities	76.8	115.7
Current liabilities	226.7	162.3
Total Equity and Liabilities	**290.7**	**303.3**

Assets

Non-current Assets

As of 31 December 2024, non-current assets amounted to EUR 247.2 million, representing 85% of the total assets of the Tessellis Group, compared to 86.9% as of 31 December 2023, reflecting a slower return on balance sheet assets. These include goodwill, tangible and intangible assets, right-of-use assets, and customer acquisition costs for a total of EUR 224.6 million; financial assets (including investments accounted for using the equity method) totalling EUR 8.2 million; and deferred tax assets amounting to EUR 14.4 million.

Current Assets

As of 31 December 2024, current assets totalled EUR 43.6 million and include:

- inventories of EUR 6.2 million, mainly comprising EUR 3.5 million in IPv4 addresses and approximately EUR 2.7 million relating to Public Administration contracts in progress at the reporting date;
- trade receivables of EUR 22.5 million;
- cash and cash equivalents of EUR 6.4 million;
- other current assets totalling EUR 8.2 million, which include: *(i)* prepaid expenses related to the deferral of service costs and accrued income totalling EUR 5.9 million; *(ii)* tax receivables of EUR 1.8 million; *(iii)*

other receivables of EUR 0.5 million;
- income tax receivables of EUR 0.3 million.

Shareholders' Equity

As of 31 December 2024, consolidated shareholders' equity was negative in the amount of EUR 12.8 million. The negative change during the period, amounting to EUR 38.2 million, is primarily attributable to the combined effect of the following factors:

- Net loss for the period: EUR –57.9 million;
- Capital increases totalling EUR 19.5 million (as described in the "Shareholding Structure" section), net of EUR 0.2 million in related charges;
- Positive equity impact from the acquisition of the Go Internet Group: EUR 0.4 million;
- Change in the employee benefits reserve (IAS 19): EUR +0.3 million;
- Capital increase in the subsidiary Aetherna: EUR 23 thousand (minority shareholder contribution);
- Change in the value of put options for Aetherna and 3P Italia: EUR –192 thousand.

Liabilities

Non-current Liabilities

As of 31 December 2024, non-current liabilities amounted to EUR 76.8 million and include:

- EUR 34.8 million relating to financial liabilities (for further details, please refer to paragraph 4.4.3 "Group Financial Position");
- Other non-current liabilities totalling EUR 12.4 million, including EUR 7.8 million for the long-term portion of trade payables; EUR 4.1 million for the long-term portion of payables to the Tax Authority; EUR 0.3 million in customer security deposits; and EUR 0.2 million in payables to non-fully consolidated companies;
- Employee severance indemnities totalling EUR 8.1 million;
- Provisions for risks and charges amounting to EUR 7.1 million;
- Deferred tax liabilities totalling EUR 14.4 million.

During the period, non-current liabilities decreased by EUR 38.9 million compared to the previous year, mainly due to financial liabilities reclassified as short-term (for further details, refer to paragraph 4.4.3 "Group Financial Position").

Non-current liabilities accounted for 26.4% of total liabilities including shareholders' equity, down 11.7 percentage points from 38.1% in the comparative period.

Current Liabilities

Current liabilities amounted to EUR 226.7 million and include:

- EUR 70.1 million relating to financial liabilities (for details, see paragraph 4.4.3 “Group Financial Position”), compared to a balance of EUR 24.4 million in the comparative period;
- EUR 117.9 million in trade payables, compared to EUR 94.4 million in the comparative period;
- EUR 38.4 million in other current liabilities, compared to EUR 43.4 million in the comparative period. This item mainly includes: *(i)* accrued expenses and deferred income of EUR 17.3 million; *(ii)* payables to the Tax Authority and social security institutions totalling EUR 14.7 million; *(iii)* employee-related payables of EUR 2.7 million; *(iv)* other payables to ShellNet S.p.A. of EUR 3 million related to the acquisition of the Go Internet Group; *(v)* other payables of EUR 0.7 million;
- Income tax payables of EUR 0.3 million, compared to EUR 0.1 million in the comparative period.

As of 31 December 2024, net overdue trade payables (net of agreed payment plans with suppliers, receivables, and disputed items) amounted to EUR 15.6 million (of which EUR 4.2 million overdue by more than 12 months), compared to EUR 16 million in the prior year (of which EUR 3.5 million were overdue by more than 12 months). Overdue tax payables amounted to approximately EUR 7 million (of which EUR 1.3 million overdue by more than 12 months). Overdue social security payables amounted to EUR 0.1 million, while no overdue financial liabilities were reported.

Based on the information presented and with reference to the statement of financial position as of 31 December 2024, current liabilities exceed current assets by EUR 183.1 million, highlighting a mismatch in current items. This compares to EUR 122.8 million in the previous year. This imbalance, mainly attributable to the increase in current financial liabilities, is primarily due to the reclassification of the long-term portion of the senior debt to short-term (for further details, refer to paragraph 6.7 “Assessment of Going Concern”) and the consolidation of the Go Internet Group as of 31 May 2024.

As of 31 December 2024, the fixed asset coverage ratio – i.e., the ratio of shareholders’ equity to fixed assets – stood at –5.8%, compared to +9.2% in the previous period.

4.4.3 Group Financial Position

As of 31 December 2024, the Tessellis Group held cash and cash equivalents totalling EUR 6.4 million, while net financial indebtedness amounted to EUR - 97.7 million, worsening by EUR 12.6 million compared to the 2023 financial year (when net financial indebtedness stood at EUR - 85.1 million)

Net Financial Indebtedness	Notes	31 December 2024	31 December 2023
(EUR million)			
A. Cash and Bank Deposits		6.4	7.7
B. Other Cash Equivalents			
C. Securities Held for Trading			
D. Liquidity (A) + (B) + (C)		***6.4***	***7.7***

E. Current Financial Receivables			
F. Non-Current Financial Receivables		***0.9***	***0.8***
G. Current Bank Borrowings		8.5	3.1
H. Current Portion of Issued Bonds		1.0	0.0
I. Current Portion of Non-Current Financial Liabilities	(1)	54.9	14.3
J. Other Current Financial Liabilities	(2)	5.7	7.0
K. Current Financial Liabilities (G) + (H) + (I) + (J)		***70.1***	***24.4***
L. Net Current Financial Indebtedness (K) – (D) – (E) – (F)		**62.8**	**15.9**
M. Non-Current Bank Borrowings	(3)	4.3	53.0
N. Issued Bonds			
O. Other Non-Current Financial Liabilities	(4)	30.6	16.3
P. Non-Current Financial Liabilities (M) + (N) + (O)		**34.8**	**69.3**
Q. Net Financial Indebtedness (L) + (P)		**97.7**	**85.1**

(1) Includes the current portion of debt due to Senior Lenders (including the former Cr Umbria Loan) for EUR 54.2 million and the current portion of long-term debt of subsidiaries for EUR 0.7 million.
(2) Includes the short-term portion of lease liabilities related to network infrastructure investments and leases capitalised under IFRS 16 for EUR 5.3 million, as well as other current financial liabilities of subsidiaries for EUR 0.4 million.
(3) Includes the long-term portion of other bank borrowings of subsidiaries for EUR 4.3 million.
(4) This item includes: (i) the long-term portion of lease liabilities related to network infrastructure investments and leases capitalised under IFRS 16 for EUR 10.8 million; (ii) other financial liabilities of subsidiaries for EUR 0.3 million; (iii) financial liabilities recognised in relation to the put options held by subsidiaries 3P Italia S.p.A. and Aetherna for EUR 4 million; (iv) shareholder loan from ShellNet S.p.A. for EUR 15.4 million.

For the sake of completeness, the reconciliation between the above-mentioned financial indebtedness and the financial indebtedness prepared in accordance with CONSOB's Attention Notice No. 5/21 of 29 April 2021 and disclosed in the explanatory notes is also provided below. In addition to the inclusion of liabilities related to the long-term portion of trade payables and tax payables under instalment plans, the table below eliminates the impact of assets classified as "Other Cash Equivalents" and "Non-Current Financial Receivables" related to security deposits, which are not considered for CONSOB purposes.

(EUR million)	**31 December 2024**	**31 December 2023**
Consolidated Net Financial Indebtedness	**97.7**	**85.1**
Other Cash Equivalents and Non-Current Financial Receivables	0.9	0.8
Long-term Portion of Trade Payables and Instalment-based Tax Payables	11.9	15.4
Consolidated Net Financial Indebtedness Prepared in Accordance with CONSOB Attention Notice No. 5/21 of 29 April 2021	**110.5**	**101.4**

As of 31 December 2024, the quick ratio – calculated as working capital net of inventories divided by current liabilities – stood at -0.84, indicating that the Group is unable to cover its short-term cash needs through cash flows generated by operating activities. This figure compares with a ratio of -0.81 as of 31 December 2023.

4.5 Subsequent Events After the Reporting Period

7 April 2025 – Investment Agreement with expert.ai – Villanova Project under IPCEI-CIS

On this date, Tiscali Italia S.p.A. and Expert.Ai S.p.A. (hereinafter also referred to as "Expert.ai"), a leader in the implementation of enterprise artificial intelligence solutions for business value creation, announced that they had reached a non-binding agreement (hereinafter also referred to as the "Non-Binding Agreement"), which provides for the following:

(i) the establishment of a new company by Tiscali (hereinafter also referred to as the "NewCo");
(ii) the transfer of the Villanova Project (as defined below) to the NewCo;
(iii) the subsequent investment by expert.ai in NewCo (hereinafter also referred to as the "Transaction").

As a result of the Transaction, it is expected that expert.ai will hold no less than 40% of the share capital of NewCo (or such other lower percentage to be discussed in good faith by the parties). The Transaction forms part of the so-called "Villanova Project" (hereinafter also referred to as the "Villanova Project" or the "Project"), developed by Tiscali and selected by the European Commission and the Italian Ministry of Enterprises and Made in Italy (the "MIMIT") to contribute to the first Important Project of Common European Interest (hereinafter also referred to as "IPCEI-CIS") on multimodal generative artificial intelligence technologies. The aim is to create a European value chain for next-generation cloud infrastructure and services (as most recently disclosed by Tiscali in its announcement dated 16 December 2024).

The Transaction is subject to the issuance of any necessary approvals by all competent authorities and public bodies (including, for illustrative but not exhaustive purposes, the European Commission and the MIMIT), as well as the execution of binding agreements.

Within the context of the Transaction, expert.ai will contribute to NewCo:

(i) its in-depth expertise in the field of artificial intelligence;
(ii) financial resources to support NewCo's cash requirements;
(iii) support in the development and commercialisation of the products and solutions under the Villanova Project;
(iv) qualified personnel to accelerate the implementation of the Project and ensure its optimal industrial execution.

The parties have also agreed to include: *(i)* a call option in favour of expert.ai to acquire Tiscali's stake in NewCo, exercisable from the fourth year; and *(ii)* a put option in favour of Tiscali to sell the same stake, exercisable between the second and fourth year.

Lastly, the Non-Binding Agreement provides that Tiscali shall not, until 30 June 2025 – unless Expert.ai notifies Tiscali of its decision not to proceed with the Transaction – engage in negotiations or discussions regarding the Project with any parties other than Expert.ai.

12 May 2025 – Related Party Transactions – IPv4 Address Purchase and Operating Lease Agreement

On 28 April 2025, the Board of Directors approved the signing of a purchase and operating lease agreement for IPv4 addresses between Tiscali Italia S.p.A. and ShellNet S.p.A., a related party as it holds 57.14% of the share capital of Tessellis S.p.A., the parent company of Tiscali. The transaction qualifies as a "related party transaction of greater importance" pursuant to the Related Party Procedure (Regolamento OPC), having exceeded the 5% materiality threshold (consideration of EUR 12.78 million, equal to 18.99% of the Company's market capitalization as of 30 December 2024).

This transaction is part of a broader framework of financial support and capital strengthening provided by the shareholder, who expressed its willingness to enter into the Purchase and Operating Lease Agreement to support the business continuity of Tessellis and its group.

The consideration for the purchase of the IPv4 addresses, amounting to approximately EUR 10 million, will be used by Tiscali Italia S.p.A. to support the ordinary operations of its business. In addition, a commercial voucher worth approximately EUR 2.78 million has been provided to cover the payment of the first 15 monthly instalments of the IPv4 address operating lease. The first instalment of the consideration, amounting to EUR 5.7 million plus VAT, was collected on 26 May 2025.

The transaction was subject to Tessellis' Related Party Procedure and, following the required review process, received a positive opinion from the Committee, which also assessed the fairness and substantive appropriateness of the terms and conditions. The Purchase and Operating Lease Agreement was signed on 12 May 2025.

2024 was marked by the continuation of conflicts in Ukraine and the Middle East, which continued to have repercussions on the economy and trade, contributing to a general situation of significant uncertainty. The Group does not have direct exposure and/or commercial activities involving the markets affected by the conflicts and/or sanctioned entities. These conflicts and their effects are, in part, still ongoing as of the date of approval of this annual financial report.

4.6 Foreseeable business developments

The objective of the Group's Business Plan is to improve the profitability of its core services, relaunch the Tiscali brand, and drive growth in the B2B markets, within an innovation-driven scenario.

For the consumer segment, the Group is developing solutions that leverage internal resources – primarily customer service – which remains a distinctive market differentiator. The business segment is served by XStream, a company specialized in tailor-made telco solutions.

Particular emphasis is placed on innovation, thanks to the Villanova Project and its R&D efforts in the field of generative artificial intelligence. This initiative will enable the Group to expand its offering portfolio with high-tech, innovative services.

4.7 Main Risks and Uncertainties to Which Tessellis S.p.A. and the Tessellis Group Are Exposed

Risks Related to the Highly Competitive Nature of the Markets

The Tessellis Group operates in the fixed and mobile telecommunications services market, which is characterized by intense competition.

As previously outlined, the Group competes with telecommunications operators that hold a significantly larger market share than Tessellis and benefit from strong brand recognition, consistently supported by substantial investments in advertising, a solid customer base, and significant financial resources that allow for large-scale investments, particularly in research and development of technologies and services. The market, already highly competitive, is seeing the rise of multi-utility offerings by major players (notably Wind Tre, Fastweb, and Enel), the integration of fixed and mobile services (see the launch of Sky Mobile in February 2024 through a commercial partnership with Fastweb), as well as corporate consolidation processes (e.g., the Fastweb-Vodafone deal) in response to the challenges of a low-margin environment.

To compete effectively with the abovementioned players, Tessellis' strategy remains focused on providing high-quality Internet access services – particularly ultra-high-capacity UltraBroadband fibre solutions – and on expanding its mobile offering through the launch of increasingly competitive plans, including 5G services introduced in May 2024. The Group is also focused on convergent fixed-mobile offerings and the small business market, which has recently been strengthened with innovative cybersecurity solutions. More broadly, Tessellis is targeting the development of high-value services for enterprises, capable of delivering stronger margins.

In the residential market, the Group has launched a strategic pathway aimed at identifying value-added services to complement and innovate its core business.

Any failure to successfully compete within the sector against current or future competitors could negatively affect the Group's market position, resulting in a loss of customers and adversely impacting its operations, economic results, financial position, and cash flows.

Risks Related to Potential System Outages, Delays or Security Breaches, and Cyber Risk

Tessellis Group's ability to attract and retain customers continues to depend significantly on the operability, continuity, and security of its network and IT systems, including its servers, hardware, and software.

Any power outages, telecommunications failures, security breaches, or other unforeseen disruptive events (such as the total destruction of the data centre) could result in service interruptions or delays, with a potential adverse impact on the Group's operations, financial position, and future performance. The Group has implemented various preventive measures to minimize these risks.

Given the critical importance of its IT infrastructure to business continuity, Tessellis has adopted both technical and procedural solutions to safeguard its data centres and systems. The data centres located in Cagliari and Rome, which host the IT infrastructure, are equipped with security systems designed to address physical access control, electrical supply, air conditioning, fire and flood protection. All core business IT and ICT systems are redundant to limit the operational impact of any single component failure. Firewalls, DDoS protection, and updated IPS/IDS intrusion detection and prevention systems – renewed in 2023 – are fully operational.

As part of the OneCompany project, the Group is continuing to invest in upgrading both hardware and software platforms supporting its core business, with the aim of unifying IT platforms and further enhancing their reliability

and resilience, notably by phasing out legacy systems.
To mitigate cyber-attack risks, the Group adopted in 2022 a cybersecurity solution with advanced threat monitoring and prevention features, including next-generation XDR and Anti-malware functionalities. This solution extends protection to systems previously excluded from earlier tools. The solution's operations and monitoring are managed by HWG Sababa, which supports Tessellis in continuously improving its security posture.
In 2023, a Security Operations Centre (SOC) was established to actively monitor the Group's cybersecurity posture, identify vulnerabilities, and implement appropriate mitigation measures. The SOC collaborates closely with HWG Sababa in managing the XDR platform, responding swiftly to alerts, diagnosing root causes, and taking corrective actions. It also contributed to platform configurations to enhance monitoring coverage across other corporate systems. In early 2024, the SOC also deployed a commercial Vulnerability Assessment tool used continuously to detect vulnerabilities and prioritize remediation. Additionally, the Group, with support from HWG Sababa and the SOC, continues to deliver cybersecurity training to all employees.

Compliance with ISO Standards

Within the Tessellis Group, the operational subsidiary Tiscali Italia S.p.A., with the goal of promoting equality and equal opportunity policies at all corporate levels, obtained the new PDR 125:2022 certification in December 2024. This certification pertains to the promotion of inclusion and gender equality. The achievement of the PDR 125 certification rewards the Company's consistent commitment to fostering equality and equal opportunity policies throughout the organization.
In the same scope, during the second week of February 2025, a Certification Audit was conducted for the Occupational Health and Safety Management System (ISO 45001) and the Environmental Management System (ISO 14001).
As regards the High Value Business perimeter of Tiscali Italia S.p.A., efforts to strengthen its positioning continued in 2024 through the renewal of certifications including ISO 27001, 27017, 27018 (Information Security Management Systems), ISO 9001 (Quality Management Systems), ISO 20000-1 (ICT Service Management Requirements), and ISO 22301 (Business Continuity Management Systems), following the Certification Assessment carried out by Bureau Veritas in the first week of December 2024.
These results underscore Tiscali's commitment to maintaining the highest standards in information security, IT service management, business continuity, and quality management systems, as well as its focus on environmental sustainability and employee health and safety.
Finally, continuous training for all company personnel has been ongoing, through multiple training sessions held across Tiscali's offices in Cagliari, Rome, Bari, and Taranto, as part of its Occupational Health and Safety programme.

General Data Protection

The Tessellis Group ensures constant oversight of all matters concerning the protection of personal data, both for employees and customers, by continuously aligning its operational processes with applicable laws and regulatory requirements.

Risks related to technological evolution

The sector in which the Tessellis Group operates is characterised by profound and rapid technological changes, intense competition, and the fast obsolescence of products and services. The Group's future success will also depend on its ability to anticipate such technological shifts and respond promptly by developing products and services capable of meeting evolving customer needs.

Any failure to adapt to new technologies – and consequently to changing customer expectations – could negatively impact the Group's operations as well as its economic, financial and equity position.

Risks related to regulatory developments in the sector in which the Group operates

As previously noted in paragraph "4.2 Regulatory Framework", the telecommunications sector in which the Tessellis Group operates is highly regulated and governed by complex, stringent legislative and regulatory frameworks – especially with regard to licensing, competition, frequency allocation, tariff setting, interconnection agreements, and leased lines. Legislative, regulatory or political changes affecting the Group's business activities, as well as sanctions imposed by AGCOM, could adversely affect the Company's operations, reputation, and consequently its economic, financial and equity position, in addition to hindering the achievement of the targets set out in the Updated 2025–2028 Business Plan.

In particular, such changes could lead to increased costs, both in terms of direct outlays and additional compliance expenses, as well as new liabilities or regulatory barriers to the provision of services. Regulatory changes or decisions by AGCOM could also make it more difficult for Tessellis to obtain services from other operators at competitive rates or limit its access to systems and services required to carry out its operations.

Moreover, given the Tessellis Group's dependence on services provided by third-party operators, the Company may be unable to promptly implement or comply with potential amendments to the current regulatory framework, which could adversely affect its operations and economic, financial and equity position, as well as its forward-looking data. Despite this uncertainty, the Company has reflected in its prospective data the impacts of regulatory developments currently deemed foreseeable.

Risks related to financial indebtedness

The development of the financial position of the Tessellis Group depends on several factors, particularly the achievement of the targets set out in the Updated 2025–2028 Business Plan, as well as the general economic conditions, financial markets, and the sector in which the Group operates.

The Group's net financial debt (including trade payables and other non-current liabilities) increased by EUR 9.1 million during 2024, rising from EUR 101.4 million as of 31 December 2023 to EUR 110.5 million as of 31 December 2024.

The net increase is due to the following factors:

1) A change in the scope of consolidation, related to the inclusion of the Go Internet Group from 31 May 2024, for EUR 6.6 million;
2) An increase of EUR 7 million, due to the combined effect of: (i) the conversion of trade payables due to the shareholder ShellNet into financial liabilities for EUR 14 million (executed on 8 October 2024), and (ii) a EUR 7 million reduction in those same liabilities following the capital increase reserved to ShellNet executed on 19 December 2024.

Excluding the effects of items *1)* and *2)* above – whose combined impact was EUR 13.6 million – the Group's net financial debt would have decreased by EUR 4.5 million compared to 31 December 2023.

The Board of Directors believes that the risk associated with financial indebtedness has been mitigated by the actions undertaken by the Company during 2024, aimed at strengthening the Group's capital and financial structure.

A key source of financing during 2024 was the subscription of 135 bonds under the Mandatory Convertible Bond Loan reserved to Nice & Green (POC 2023), for a total value of EUR 13.5 million.

The 2023 Mandatory Convertible Bond Loan, whose terms were amended by the Extraordinary and Ordinary Shareholders' Meeting of Tessellis held on 17 June 2024, enables the Company to access a total amount of EUR 62 million, drawing up to EUR 2 million per month until 31 December 2026. Of the 135 bonds issued during 2024, 125 had been converted into equity as at 31 December 2024, for a total amount of EUR 12.5 million.

Additionally, on 19 December 2024, the shareholder ShellNet S.p.A. subscribed to the first tranche of the reserved capital increase for EUR 7 million. The second and final tranche, amounting to EUR 8 million, was executed on 28 March 2025.

As confirmation of the improvement in the Company's financial structure, it is noted that one of the Group's main lending institutions formally reinstated the senior loan dossier to performing status.

With specific regard to the senior debt (including the former CR Umbria financial debt), the remaining instalments – totalling EUR 49.9 million – are due in September 2025 and March 2026. The Directors have formally requested that the lending institutions (Intesa SanPaolo and ACO SPV) grant a moratorium on payments due from 30 September 2025 through 31 March 2026 (inclusive), as well as a reset of contractual covenants until their redefinition in line with the proposed amortisation plan. For further details, please refer to the paragraph "Assessment of Going Concern Assumptions."

<u>Risks related to exchange rate and interest rate fluctuations</u>

Tessellis operates primarily in Italy. While some supplies – albeit not material in amount – may be denominated in foreign currencies, the Company's exposure to exchange rate fluctuation risk is considered minimal.

As for exposure to interest rate fluctuation risks, given that the majority of the Company's financial debt is at fixed rates, management does not consider interest rate volatility to be a significant risk for the Company's financial position.

Risks related to supplier relationships

The operations of the Tessellis Group depend on existing contracts with its strategic suppliers, which are essential for the Company's ability to access its market.

Should any of the following occur: *(i)* such contracts are not renewed at maturity or are renewed under less favourable terms and conditions; *(ii)* the Group fails to enter into new contracts necessary for the development of its business; or *(iii)* a material breach of contract occurs on the part of the Group or its suppliers, such circumstances could have adverse effects on the Group's business and its economic, financial and equity position, thereby impacting its ability to continue operating as a going concern over the medium term.

The terms and conditions of these contracts are governed by regulatory frameworks, and at present there is no indication suggesting that renewals will not be granted upon expiry.

Risks related to dependency on licenses, authorizations, and the exercise of real rights

The Tessellis Group conducts its business based on licenses and authorizations – which are subject to periodic renewal, amendment, suspension, or revocation by the competent authorities – and makes use of rights of way, rights of use, as well as administrative permits for the construction and maintenance of its telecommunications network. In order to operate its business, the Group must retain and maintain such licenses and authorizations, rights of way and use, as well as the relevant administrative permits.

The most critical licenses – without which the Company would be unable to operate its business or part of it, with potential repercussions on its going concern status – are as follows:

- General authorization for the provision of "data transmission" services: Should this authorization be lost – which is currently valid until 10 December 2027 – the Company would no longer be able to provide Internet access services. As of today, the Company meets all the necessary requirements for renewal at expiration, although a new notification of commencement of activity (DIA) will be required.
- General authorization (formerly individual license) for "publicly accessible voice telephony on national territory," valid until 31 December 2038: Loss of this license would prevent the Company from offering voice services that use geographic numbering. The Company currently meets all requirements for its renewal, but a new DIA will need to be submitted.
- General authorization for "electronic communications networks and services," expiring on 11 January 2032: Without this authorization, the Company would no longer be able to build network infrastructure and therefore would be unable to provide connectivity services using proprietary infrastructure.
- General authorization for the provision of mobile services as an "Enhanced Service Provider": Loss of this license – valid until 31 December 2038 – would prevent the Company from providing mobile voice and data services.

- Authorization to provide national audiovisual media services for the “BIKE” channel (LCN channel 259, sports category), granted on 6 September 2023.

4.8 Analysis of the Economic, Equity and Financial Position of Tessellis S.p.A.

4.8.1 Economic Situation of the Parent Company

(EUR 000)	2024	2023
Revenues from Services and Other Income	2,303	2,575
Personnel Costs, Services and Other Operating Costs	(2,899)	(2,507)
Other Write-downs	(98,842)	(235)
Depreciation and Amortisation	(3)	(1)
Net Financial Income (Expense)	(2,469)	(76)
Income Taxes	-	-
Net Result	**(101,909)**	**(244)**

Revenues from services mainly refer to the invoicing of services provided by the Company to its subsidiary Tiscali Italia S.p.A., including charges for the licence to use the Tiscali trademark, calculated as a percentage of the revenue generated by the aforementioned subsidiary.

Personnel costs, services, and other operating expenses amount to EUR 2.9 million, including professional fees of EUR 1.1 million, remuneration to the Board of Directors and Board of Statutory Auditors of EUR 0.4 million, and other general costs and tax charges of EUR 1.4 million.

The item **Other write-downs** mainly includes the write-down of the equity investment in Tiscali Italia S.p.A. for EUR 98.6 million, recognised based on the outcome of the impairment test on the carrying value of the investment. This item also includes the alignment of the provision for doubtful accounts with the total receivable from foreign subsidiaries for EUR 0.2 million.

Net financial expenses amount to EUR 2.5 million and mainly include EUR 2.1 million in fees paid in connection with the Mandatory Convertible Bond Loan into Tiscali ordinary shares, subscribed by Nice & Green (of which EUR 0.6 million relate to the bonds subscribed and EUR 1.5 million to an amendment fee paid in connection with the amendment to the terms of the MCBL), as well as EUR 421 thousand in interest income on the shareholder loan to ShellNet S.p.A..

4.8.2 Equity Situation of the Parent Company

Condensed Balance Sheet	**31 December 2024**	**31 December 2023**
(EUR 000)		
Non-current assets	76,014	159,001
Current assets	486	2,913
Total Assets	**76,501**	**161,914**

Shareholders’ Equity	43,666	126,278
Total Shareholders’ Equity	**43,666**	**126,278**
Non-current liabilities	20,861	28,064
Current liabilities	11,974	7,572
Total Equity and Liabilities	**76,501**	**161,914**

Assets

Non-current assets

Non-current assets, amounting to EUR 76 million, primarily include controlling interests valued at EUR 73.2 million (EUR 157.3 million as at 31 December 2023). This item also includes financial assets totalling EUR 2.8 million (EUR 1.6 million as at 31 December 2023), mainly consisting of financial receivables from Group companies.

Current assets

Current assets, amounting to EUR 0.5 million, include trade receivables of EUR 0.3 million from subsidiaries, other receivables and miscellaneous assets for EUR 0.1 million, tax receivables for EUR 55.6 thousand, and cash and cash equivalents totalling EUR 45 thousand.

Shareholders’ Equity

The Parent Company’s shareholders’ equity amounted to EUR 43.7 million as at 31 December 2024, reflecting a decrease of EUR 82.6 million compared to 31 December 2023, due to the following factors:

- Comprehensive income for the year of negative EUR 101.9 million;
- Capital increase of EUR 12.5 million following the conversion of 125 bonds from the Mandatory Convertible Bond Loan subscribed by Nice & Green SA;
- Capital increase reserved to shareholder ShellNet S.p.A. for EUR 7 million, executed on 19 December 2024;
- Decrease of EUR 0.2 million for ancillary costs related to the capital increase transactions.

Liabilities

Non-current liabilities

Non-current liabilities, amounting to EUR 20.9 million, mainly include items related to financial indebtedness, for which reference is made to paragraph 4.8.3 “Financial position of the Parent Company”.

Current liabilities

Current liabilities, amounting to EUR 11.9 million, include trade payables to third parties for EUR 2.9 million, EUR 0.3 million in payables to Group companies, EUR 1 million in payables to N&G relating to the portion of convertible bonds issued and not yet converted as at 31 December 2024 (corresponding to 10 bonds), and other current liabilities amounting to EUR 7.7 million. These latter include: *(i)* payables to shareholder ShellNet for EUR 3 million; *(ii)* Group VAT payables for EUR 2.9 million; *(iii)* EUR 1.6 million in other tax and social security liabilities; and *(iv)* EUR 0.1 million in payables for Board of Directors' remuneration.

4.8.3 Financial Position of the Parent Company

The financial indebtedness of the Parent Company is summarised in the table below:

Financial Indebtedness	**31 December 2024**	**31 December 2023**
(EUR 000)		
A. Cash and bank deposits	45	152
B. Other cash equivalents		
C. Financial assets held for trading		
D. Liquidity (A) + (B) + (C)	***45***	***152***
E. Current financial receivables	-	-
F. Non-current financial receivables from Group companies	**2,746**	**1,605**
G. Current bank borrowings	-	-
H. Current portion of bonds issued	1,000	-
I. Current portion of non-current debt		
J. Other current financial liabilities	-	-
K. Current financial debt (G) + (H) + (I) + (J)	**1,000**	**-**
L. Net current financial debt (K) – (D) – (E) – (F)	**(1,791)**	**(1,757)**
M. Non-current bank borrowings	15,421	-
N. Bonds issued	-	-
O. Non-current financial payables to Group companies	1,658	27,868
P. Other non-current financial payables to third parties		
Q. Non-current financial debt (M) + (N) + (O) + (P)	**17,080**	**27,868**
R. Net financial debt (L) + (Q)	**15,289**	**26,111**

Non-current financial receivables from Group companies refer to receivables due from Tiscali International B.V. for EUR 1.6 million and from Tiscali Italia S.p.A. for EUR 1.1 million.

The current portion of bonds issued, amounting to EUR 1 million, refers to 10 bonds under the 2023 Mandatory Convertible Bond Loan (POC 2023) that were subscribed but not yet converted as of 31 December 2024.

Non-current bank borrowings, totalling EUR 15.4 million, relate to the shareholder loan from ShellNet S.p.A., executed on 8 October 2024.

Other non-current financial liabilities to Group companies include financial payables to Tiscali International B.V. for EUR 1.6 million and to Veesible S.r.l. for EUR 53.4 thousand.

The change in financial receivables and payables to Group companies reflects transactions related to the centralized treasury agreement, as well as offsetting operations between respective receivable and payable positions.

4.8.4 Reconciliation Statement Between the Parent Company's Financial Statements and the Consolidated Financial Statements

As required by CONSOB Communication No. DEM/6064293 of 28 July 2006, the following table provides the reconciliation between the Group's consolidated equity and the corresponding values in the Parent Company's separate financial statements.

	31 December 2024	
EUR 000	**Net Result**	**Shareholders' Equity**
Shareholders' Equity and Net Result of Tessellis S.p.A.	**(101,909)**	**43,666**
Net Result and Shareholders' Equity of consolidated companies	(51,244)	22,401
Carrying amount of consolidated investments and consolidation adjustments	95,174	(80,393)
Shareholders' Equity and Net Result attributable to the Parent Company	**(57,979)**	**(14,326)**
Shareholders' Equity and Net Result attributable to Non-controlling Interests	49	1,549
Shareholders' Equity and Net Result of the Consolidated Financial Statements	**(57,929)**	**(12,777)**

4.9 Litigation, Contingent Liabilities and Commitments

Reference is made to the paragraph "Litigation, Contingent Liabilities and Commitments" in the Explanatory Notes.

4.10 Non-recurring Transactions

Reference is made to the paragraph "Non-recurring Transactions" in the Explanatory Notes.

4.11 Atypical and/or unusual transactions

Pursuant to the CONSOB Communication dated 28 July 2006, it is hereby specified that during the 2024 financial year, the Group did not carry out any atypical and/or unusual transactions, as defined by the same Communication.

4.12 Related Party Transactions

With regard to the economic and financial relationships maintained with related parties, reference is made to the paragraph "Related Party Transactions" in the Explanatory Notes to the consolidated financial statements.

It should be noted that the document outlining the procedure governing related party transactions is available at the following website: www.tessellis.it/procedure.

4.13 Remuneration of Directors, Statutory Auditors and Executives with Strategic

Responsibilities

For the performance of their duties within the Parent Company and other consolidated entities, the remuneration due to Directors, Statutory Auditors, and Executives with Strategic Responsibilities of the Group companies for the financial year 2024 is as follows:

	2024	2023
(EUR 000)		
Directors	694	938
Statutory Auditors	164	177
Executives with Strategic Responsibilities	1,132	1,112
Total	**1,990**	**2,227**

Adherence to the Tax Consolidation Scheme

The Company has exercised the option for national tax consolidation under the Parent Company Tessellis S.p.A. for the following entities:

- Tessellis S.p.A.
- Tiscali Italia S.p.A.
- Linkem Services S.r.l.
- Veesible S.r.l.

The relationships arising from participation in the tax consolidation scheme are governed by a specific agreement ("Regulation"), which sets out a common procedure for the application of the relevant legal and regulatory provisions.

4.14 Assessment of the Impact of Climate Change on Tiscali's Production Infrastructure

As part of the Group's medium- to long-term going concern assessment, Tessellis has evaluated the potential economic and financial impacts of climate change on its operations.

The analysis focused in particular on certain physical risks linked to climate change that could affect the infrastructure of the Group's Data Centre:

(i) **Rising average global temperatures**

For further details on the analysis carried out, reference is made to Chapter 8 "Consolidated Sustainability Reporting," prepared in accordance with Legislative Decree No. 125/2024, under point *ESRS 2 SBM-3 19 b), c):* ***Rising average global temperatures***.

(ii) **Rising sea levels – impact on the production infrastructure located at the Sa Illetta headquarters in Cagliari**

For further details on the analysis carried out, reference is made to Chapter 8 "Consolidated Sustainability Reporting," prepared in accordance with Legislative Decree No. 125/2024, under point *ESRS 2 SBM-3 19 b), c):*

Rising sea levels.

Cagliari, 27 May 2025

Chief Executive Officer

Davide Rota

Executive Responsible for Preparing the Company’s Financial Reports

Fabio Bartoloni

Fabio Bartoloni

5.3 Issuer's Profile

Pursuant to Article 123-*bis* of Legislative Decree No. 58 of 1998, as subsequently amended and supplemented (hereinafter also referred to as the "**TUF**"), as implemented by Article 89-*bis* of the regulation adopted by CONSOB with Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented (hereinafter also referred to as the "**Issuers' Regulation**"), companies with listed shares are required to prepare, on an annual basis, an informative report on their Corporate Governance system and their compliance with the recommendations of the Corporate Governance Code approved by the Corporate Governance Committee in March 2006, as subsequently updated and available at https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf (hereinafter also referred to as the "**Code**").

This report is made available to shareholders at least 21 days prior to the Shareholders' Meeting called to approve the financial statements and is published in the "Governance" section of the Company's website, at www.tessellis.it.

The Company has adopted the traditional administration and control system, which provides for the allocation of responsibilities among the Board of Directors, the Board of Statutory Auditors, and the Shareholders' Meeting, as it believes this system ensures a clear separation of the roles and responsibilities assigned to the corporate bodies, as well as an effective management of the Company.

The Board of Directors of Tessellis S.p.A. (hereinafter also referred to as "**Tessellis**" or the "**Company**"), in compliance with this legal requirement and with the aim of providing extensive corporate disclosure to shareholders and investors, has prepared this report (hereinafter also referred to as the "**Report**") in accordance with the format for corporate governance and ownership structure reports provided by Borsa Italiana S.p.A., and taking into account the guidelines issued by Assonime.

On 27 May 2025, the Board of Directors, in accordance with the provisions of the Code, carried out its self-assessment. The Board concluded that the size, composition, and functioning of the Board itself and of its Committees were appropriate to the Company's management and organizational needs. The Board also considered the professional, managerial, and experiential profiles of its members, as well as the actual functioning of the corporate bodies during financial year 2024. It is noted that this assessment was conducted at the close of the first three-year term of the administrative body following the merger with the retail division of Linkem S.p.A., finalized on 1 August 2022 – a transaction that marked a significant discontinuity and triggered an industrial integration process, which is still partially underway, particularly with regard to the migration of certain operational systems and the reorganization of the Company's management team. Therefore, the Board commits to continuously monitoring the adequacy of its organization and functioning over time.

As of the date of this Report, the Board of Directors is composed of seven members, including one Chief Executive Officer with executive powers and four non-executive and independent directors. In the course of this assessment, the Board also considered the positions held by the Directors in other companies, as well as their concrete commitment to the management of the Company.

Finally, it is noted that the Company qualifies as an SME (small and medium-sized enterprise) pursuant to Article 1, paragraph 1, letter w-*quater*.1) of the TUF and Article 2-*ter* of the Issuers' Regulation, as the market capitalization as at 31 December 2024 amounted to EUR 60,704,835.95 and the consolidated turnover for the year 2024 was EUR 216,990,611.06.

5.4 Ownership Structure as of 31 December 2024

a) Share Capital Structure

The structure of the fully subscribed and paid-in share capital as of 31 December 2024, amounting to EUR 139,500,000.00, is shown in Table 1 – Ownership Structure. As of the date of this Report, the share capital amounts to EUR 152,100,000.

There are no share-based incentive plans in place (e.g. stock options, stock grants, etc.).

b) Restrictions on the Transfer of Securities (pursuant to Article 123-*bis*, paragraph 1, letter b) of the TUF)

No statutory restrictions apply to the transfer of securities, such as limits on share ownership or approval clauses.

c) Significant Shareholdings (pursuant to Article 123-*bis*, paragraph 1, letter c) of the TUF)

The only shareholder holding voting rights or an interest exceeding 5% who, as of the date of this Report, has notified the Company and CONSOB of its holding is ShellNet S.p.A., with 56.50%.

d) Securities Granting Special Rights (pursuant to Article 123-*bis*, paragraph 1, letter d) of the TUF)

No securities granting special control rights have been issued.

No special powers exist (e.g. the Italian State's special powers in strategic sectors under Legislative Decree No. 21 of 15 March 2012, converted with amendments by Law No. 56 of 11 May 2012).

e) Employee Shareholdings – Voting Right Mechanism (pursuant to Article 123-*bis*, paragraph 1, letter e) of the TUF)

The Articles of Association do not provide for special mechanisms for the exercise of voting rights by employees, who exercise such rights in accordance with the Articles.

f) Restrictions on Voting Rights (pursuant to Article 123-*bis*, paragraph 1, letter f) of the TUF)

The Articles of Association do not provide for multiple or enhanced voting shares, nor are there any restrictions on voting rights.

g) Shareholder Agreements (pursuant to Article 123-*bis*, paragraph 1, letter g) of the TUF)

As of the date of this Report, no Shareholders' Agreements are in place.

h) Change of Control Clauses (pursuant to Article 123-*bis*, paragraph 1, letter h) of the TUF) and Statutory Provisions on Takeover Bids (pursuant to Articles 104, paragraph 1-*ter*, and 104-*bis*, paragraph 1)

Certain agreements to which Tessellis and/or its subsidiaries are party contain clauses whereby a change of control may result in the modification or termination of the contractual relationship; however, these are subject to confidentiality obligations. As regards takeover bids, the Company's Articles of Association do not contain any clauses that derogate from the passivity rule provisions, nor do they provide for any neutralisation rules.

i) Powers to Increase Share Capital and Authorisations to Purchase Treasury Shares (pursuant to Article 123-*bis*, paragraph 1, letter m) of the TUF)

On 10 January 2023, the Shareholders' Meeting, in extraordinary session, approved the proposal to grant the Board of Directors a power of attorney – exercisable on one or more occasions within 30 months from the date of the resolution – for a maximum amount of EUR 60,000,000, including any share premium: *(i)* to increase the share capital for cash consideration, in a divisible manner, pursuant to Article 2443 of the Italian Civil Code, including with exclusion or limitation of pre-emptive rights pursuant to Article 2441, paragraphs 4, 5, and 8 of the Italian Civil Code, also through the issue of shares to service incentive plans based on the allocation of financial instruments in favour of directors, employees, and collaborators of the Company, identified by the Board of Directors, subject to specific lock-up commitments by the recipients; and *(ii)* to issue bonds convertible into ordinary shares of the Company pursuant to Article 2420-ter of the Italian Civil Code, together with the authority to resolve the related capital increase to service the conversion, also with exclusion or limitation of pre-emptive rights pursuant to Article 2441, paragraph 5 of the Italian Civil Code.

The Board of Directors, on 11 May 2023, in partial execution of the above-mentioned authorisation, resolved to increase the share capital against payment, in cash and in a divisible manner, for a maximum amount of EUR 25,116,540.00, through the issue of up to 50,233,080 new ordinary shares with no nominal value, having the same characteristics as those already outstanding, at an issue price of EUR 0.40 per share, fully allocated to share capital and to be offered as an option to shareholders and holders of convertible bonds.

Subsequently, by resolution of 19 June 2023, taking into account the conversion of a tranche of the convertible bond and in order to allow greater participation of its shareholders in the transaction, the Company amended the terms of execution of the capital increase, setting the maximum amount at EUR 24,716,036.00 (corresponding to a maximum of 61,790,090 new shares), to be offered to shareholders by way of rights issue pursuant to Article 2441, paragraph 1, of the Italian Civil Code, at a subscription price of EUR 0.40 per share, applying a 1.66% discount to the TERP (Theoretical Ex-Right Price). The subscription ratio was 1 new Tessellis share for every 3 subscription rights held.

Following the subscription period, which ended on 10 July 2023, the reference shareholder OpNet S.p.A. subscribed in full to its pro-rata share of the capital increase, equal to approximately 56.11%, corresponding to 34,675,165 shares and a total value of EUR 13,870,066.00. The unsubscribed rights, amounting to 71,764,935, were offered to the public pursuant to Article 2441, paragraph 3, of the Italian Civil Code, through Euronext Milan and managed by Equita SIM S.p.A. The overall capital increase transaction was completed on 31 July 2023 with the subscription of a total of 48,696,912 shares, equal to 78.810% of the shares offered in the context of the capital increase.

On 19 December 2024, the Board of Directors, in partial execution of the delegation granted on 10 January 2023, *(i)* resolved a paid, divisible and progressive share capital increase for a total maximum amount of EUR 15,000,000.00, including share premium, through the issue of ordinary shares with no nominal value, having the same characteristics as those already in circulation (to be issued with regular dividend rights), to be offered in two tranches and with the exclusion of pre-emptive rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, to ShellNet S.p.A., at an issue price equal to the average of the daily VWAPs (Volume Weighted Average Prices) of Tessellis shares recorded in the ten open market days preceding the execution of each tranche. The shares are to be paid by means of voluntary offsetting of certain, liquid, and due receivables, based on a 1-to-1 conversion ratio, whereby, for example, against the conversion of a EUR 1.00 receivable, newly issued shares will be subscribed for an equivalent amount (including share premium) of EUR 1.00, with the corresponding portion of debt written off. The Board of Directors is authorised to carry out any standard rounding operations strictly necessary during the execution of this capital increase resolution; and *(ii)* established, pursuant to Article 2439, paragraph 2, of the Italian Civil Code, that the capital increase shall be limited to the amount effectively subscribed by the final deadline of 31 March 2025.

It is confirmed that, following the subscription of the first tranche of EUR 7 million by 31 December 2024, the capital increase was fully subscribed as of 28 March 2025 through the conversion of the second tranche of receivables held by shareholder ShellNet for EUR 8 million.

There are no Shareholders' Meeting resolutions authorising the purchase of treasury shares pursuant to Articles 2357 et seq. of the Italian Civil Code.

j) Management and Coordination Activities (pursuant to Article 2497 et seq. of the Italian Civil Code)

As of the date of this Report, no shareholder exercises management and coordination activities.

5.5 Compliance (pursuant to Article 123-*bis*, paragraph 2, letter a), first part of the TUF)

Tessellis is a joint-stock company headquartered in Italy, subject to national and EU regulations. As a result of the listing of certain financial instruments issued by the Company, it is required to comply with the relevant regulatory framework. Tessellis adheres to the Corporate Governance Code of Borsa Italiana.

Tessellis qualifies as an SME pursuant to Article 1, paragraph 1, letter w-*quater* of the TUF and Article 2-ter of the Consob Issuers' Regulation.

5.6 Board of Directors

Role and Functioning of the Board of Directors

Tessellis's governance structure is based on a traditional administration and control system, characterized by the presence of a Board of Directors, responsible for strategic oversight and the Group's policy direction, and a Board of Statutory Auditors, entrusted with control functions. Both bodies are appointed by the Shareholders' Meeting. To ensure transparency in management operations, accurate market disclosure, and the protection of socially relevant interests, Tessellis's corporate governance system largely reflects the recommendations of the Corporate Governance Code, approved by the Corporate Governance Committee in March 2006 and subsequently updated. The Group adheres to practices and behavioural principles formalized in procedures and codes, in line with the guidelines issued by Borsa Italiana, CONSOB's recommendations, and national and international best practices.

Tessellis has adopted an organizational structure designed to properly manage business risks and potential conflicts of interest that may arise between directors and shareholders, between majority and minority shareholders, and among different stakeholders. In this context, Tessellis Group does not provide for union representation within its corporate management, administrative, or supervisory bodies.

The Company believes that the traditional governance system – where responsibilities are distributed among the Board of Directors, the Board of Statutory Auditors, and the Shareholders' Meeting – ensures a clear division of roles and duties and supports effective corporate management.

The Board of Directors performs guidance and strategic oversight functions, with the primary objective of creating long-term value for shareholders and stakeholders, in pursuit of the sustainable success of the company.

During the 2024 financial year, the Board of Directors held seven meetings, with an average duration of approximately 95 minutes. In accordance with the Company's Articles of Association and internal regulations, participation was also allowed remotely, enhancing attendance, which stood at approximately 98% of directors.

The Board meetings were regularly attended by members of the management team – particularly the Group CFO and Financial Reporting Officer, Fabio Bartoloni – as well as external consultants engaged where necessary, to provide comprehensive information and support on the matters discussed.

It is a well-established practice to invite executives and external consultants to attend Board meetings when the matters on the agenda require specific expertise. This approach helps foster an in-depth understanding of the Company's and Group's business sectors, operational dynamics, and regulatory context, while enhancing the Board's oversight capabilities.

Pre-meeting information was delivered via digital tools and typically made available within the statutory notice period for the meeting, or in any case as early as circumstances permitted. This documentation was supplemented by presentations during the meetings, supported by the Company's management and/or the management of key subsidiaries, and by consultants providing technical-professional assistance when needed. To facilitate the review of complex issues ahead of Board discussions, informal briefing and induction sessions were also organized for directors and statutory auditors, often scheduled immediately before Board meetings.

The information flow to the Board – essential for fulfilling its responsibilities – included not only items on the agenda and follow-up to decisions made, but also: *(i)* general business performance and its foreseeable outlook, *(ii)* significant activities carried out, particularly in relation to transactions of major economic, financial, or strategic relevance, and *(iii)* any other matter, transaction, or event that the Chairperson or CEO deemed appropriate to bring to the Board's attention.

The Board of Directors of Tessellis:

- exercises top-level direction, coordination, oversight, and monitoring over the Group's strategy and governance as a whole;

- receives appropriate information flows regarding the Group's operational performance and its organizational, administrative, and accounting structure;
- resolves on extraordinary transactions carried out by subsidiaries that are strategically, economically, financially, or asset-wise significant to the Parent Company, as well as on any other transaction of comparable importance and impact.

Furthermore, the following responsibilities are reserved to the Board of Directors:

- the review and approval of the Company's and the Group's industrial plan, also based on the analysis of material issues related to long-term value creation conducted during the 2024 financial year;
- the periodic monitoring of the implementation of the industrial plan and the assessment of overall business performance, including the periodic comparison of actual results with forecasts through impairment and stress tests, the latest of which was carried out during the meeting held on 27 May 2025;
- the definition of the nature and level of risk deemed compatible with the Company's strategic objectives, including in its assessments all elements considered relevant to achieving sustainable success. This evaluation is carried out in conjunction with the approval of annual and half-yearly financial statements and, most recently, during the meeting of 27 May 2025;
- the assessment of the adequacy of the organizational, administrative, and accounting structure of the Issuer and its strategically significant subsidiaries, with particular reference to the internal control and risk management system. The most recent assessment was conducted during the meeting of 27 May 2025. With respect to the internal control and risk management system, the Board relied on the preparatory work of the Control and Risk Committee, which reports on the progress of its activities and the main findings at each meeting, and in particular on the system's adequacy when reviewing the annual financial statements and the half-year report;
- the adoption and oversight – upon proposal of the Chairperson and in agreement with the Chief Executive Officer – of a procedure for the internal management and external disclosure of corporate documents and information, with particular attention to inside information. The latest update to this procedure was approved by the Board on 5 April 2022.

The Board of Directors, also through the Officer Responsible for the preparation of corporate financial reports, reports at least quarterly to the Board of Statutory Auditors on its activities and on the most significant economic, financial, and equity transactions carried out by the Company or its subsidiaries, in accordance with Article 150 of the Consolidated Law on Finance (TUF) and the procedure approved by the Board of Directors at its meeting held on 5 April 2022.

In compliance with Recommendation No. 11 of the Corporate Governance Code, the Board of Directors adopted its own Board Regulation during the meeting of 14 May 2021, which defines the operating rules of the Board and its committees, supplementing the provisions of the Articles of Association. The Regulation also sets out the procedures for recording meeting minutes and for managing the flow of information to directors.

At its meeting on 5 April 2022, the Board also adopted a policy for managing dialogue with shareholders at large.

On 11 May 2023, the Board of Directors approved the Group Corporate Governance Regulation, which sets out a common set of internal corporate governance rules for the Tessellis Group. These rules are based on principles of rationality, efficiency, cooperation, and differentiation with respect to the operations of the individual legal entities. The objectives are to: *(i)* align the decisions made by subsidiaries with those of the Parent Company in support of the implementation of the industrial plan; *(ii)* reinforce the Parent Company's role in providing strategic guidance and exercising direction and coordination; and *(iii)* respect the legal and operational autonomy of the companies controlled by Tessellis.

<u>Appointment and Replacement (pursuant to Article 123-*bis*, paragraph 1, letter l), first part of the TUF)</u>

Article 11 (Board of Directors) of the Articles of Association in force as of the date of this Report provides for the appointment of directors through the *list voting* mechanism, which ensures the appointment of a certain number of directors also from the lists that did not obtain the majority of votes. This process guarantees transparency and fairness in the appointment procedure. The right to submit lists is granted to shareholders who, individually or jointly with others, represent at least the percentage of the share capital required by applicable regulations. For 2025, the minimum threshold for the submission of minority lists established by CONSOB is 2.5% of Tessellis' share capital (see CONSOB Resolution No. 123/2025). This mechanism therefore also ensures that minority shareholders have the right to submit their own lists. Each shareholder entitled to vote may vote for only one list.

The Company has duly aligned its nomination procedures with Law No. 120/2011 on gender balance in the governance of listed companies. Accordingly, each list must include a number of candidates from the less represented gender of at least the minimum required by current legislation—currently set at two-fifths, rounded up to the nearest whole number.

The election of directors is carried out as follows.

a.1) Following the vote, the number of votes obtained by each list shall be divided by one, two, three, four, and so on, up to the total number of directors to be elected. The resulting quotients shall then be assigned to the candidates on each list in the order in which they appear on the list.

The candidates with the highest quotients – ranked in descending order in a single list – shall be elected, provided that the candidate placed at the top of the minority list (i.e. the list that obtained the highest number of votes among those duly submitted and voted on, and that is not connected, even indirectly, with the shareholders who submitted or voted for the majority list) shall in any case be appointed as a director. If an entity that is, under applicable law, connected to one or more shareholders that submitted or voted for the list with the highest number of votes, has voted for a minority list, such connection is only relevant if the vote was decisive for the election of the minority director. The provisions of law and regulation in force from time to time shall apply in any case. In the event of a tie in the quotient for the final board seat to be filled, the candidate from the list that obtained the highest number of votes shall be preferred; in the case of a further tie, the older candidate shall prevail.

If, at the end of the voting, an insufficient number of directors meeting the independence requirements has been elected, or gender balance is not ensured, the following corrective measures shall apply: in the first case, the candidate with the lowest quotient who does not meet the independence requirements shall be excluded; in the second case, the candidate with the lowest quotient whose election would violate gender balance shall be excluded. Excluded candidates shall be replaced by the next eligible candidates on the list, whose appointment ensures compliance with the independence and gender balance requirements.

This procedure shall be repeated until the full number of directors has been elected. Should this not be possible, the remaining directors shall be appointed during the same Shareholders' Meeting, by a simple majority vote upon proposal of the attending shareholders.

a.2) If only one list is submitted, all directors shall be appointed exclusively from that list, in the order in which they appear, provided that the list obtains the majority of the votes cast.

Should the application of the above procedure result in an insufficient number of directors meeting the independence requirements, or fail to ensure compliance with gender balance regulations, the following corrective measures shall apply: in the first case, the candidate with the lowest quotient who does not meet the independence requirements shall be excluded; in the second case, the candidate with the lowest quotient whose election would result in non-compliance with gender balance requirements shall be excluded. The appointment of the directors to replace the excluded candidates shall be carried out during the same shareholders' meeting, by a simple majority vote of those present, upon proposal by the attending shareholders.

b) If, pursuant to the above appointment procedure, at least two members meeting the independence requirements established by applicable regulations are not elected, the last elected candidate lacking such requirements from the list that received the highest number of votes after the leading list – and that is not in any way, even indirectly, connected with the shareholders who submitted or voted for the latter – shall be replaced by the first unelected candidate on that same list who does meet the independence requirements. If, following this replacement, one more independent member is still required, the last elected candidate lacking the independence requirements from the list that obtained the highest number of votes overall shall be replaced by the first unelected candidate on that list who meets the said requirements.

c) If the Board of Directors elected pursuant to the above provisions does not ensure compliance with the gender balance requirement established by applicable law, the last elected members of the overrepresented gender from the list that received the highest number of votes cast by shareholders shall automatically forfeit their position in the number necessary to restore compliance. They shall be replaced by the first unelected candidates of the less represented gender from the same list. If that list does not include a sufficient number of unelected candidates of the less represented gender to complete the replacements, the same criterion shall apply to the next most voted lists from which candidates were elected. Should no suitable replacements be found even by applying these criteria, the Shareholders' Meeting shall appoint the necessary members by statutory majority, ensuring compliance with the gender balance requirement set by applicable law.

d) The list voting mechanism described above applies only in the case of a full renewal of the Board of Directors. If, for any reason, one or more Directors are not appointed pursuant to the above procedure, their appointment shall be resolved by the Shareholders' Meeting by statutory majority, in compliance with gender representation requirements; this requirement also applies to appointments made by co-optation by the Board of Directors in accordance with applicable law.

Pursuant to Article 11 (Board of Directors) of the Articles of Association in force as of the date of this Report, lists containing nominations for the position of director must be filed at the Company's registered office at least twenty-five days prior to the date set for the Shareholders' Meeting. Each list must be accompanied by a description of the candidates' professional résumés and a declaration in which the candidates accept their nomination and confirm the absence of any grounds for ineligibility or incompatibility, as well as the existence of the requirements of integrity and professionalism required by applicable law and the Articles of Association. These conditions are substantially in line with the principles and application criteria set out in Article 5 of the Corporate Governance Code. The lists and supporting documentation must be made publicly available in the manner prescribed by law no later than twenty-one days prior to the date of the Shareholders' Meeting. In the case of a resolution to appoint individual members of the Board of Directors, the list voting mechanism provided for under Article 11 (Board of Directors) of the Articles of Association does not apply, as it is reserved solely for the full renewal of the Board.

The Articles of Association do not provide that, for the purposes of allocating directors to be elected, lists that have not obtained at least half of the percentage of votes required to submit a list should be excluded. Nor do they establish additional requirements for independence (beyond those set for statutory auditors under Article 148 of the TUF), integrity, or professionalism for the appointment to the office of director.

The Company is not subject to any additional rules regarding the composition of the Board of Directors.

Although the provisions of Article 11 (Board of Directors) and the above considerations relating to the appointment process ensure a fair system that respects minority shareholders, the Board of Directors has deemed it appropriate for the Remuneration Committee to also take on responsibilities related to nominations. It has therefore adopted the name "Appointment and Remuneration Committee".

For further information, including details required by Article 123-*bis* of the TUF on directors' remuneration and by the Corporate Governance Code, reference is made to the "Report on the Remuneration Policy and Fees Paid," published in accordance with Article 123-ter of the TUF and available on the Company's website.

Given the specific structure of the shareholder base and the system of delegated powers adopted within the Board of Directors, the Company has not adopted a specific succession plan for executive directors as of the approval date of this Report. However, it is believed that, in the event of unforeseen circumstances preventing the Chief Executive Officer from performing their duties, the Board of Directors can promptly be convened to adopt the necessary resolutions.

Composition (pursuant to Article 123-*bis*, paragraph 2, letters d) and d-*bis*), of the TUF)

On 16 May 2022, in implementation of the Supplemental Agreement related to the current Shareholders' Agreements, the Shareholders' Meeting appointed a Board of Directors composed of seven members, namely: Renato Soru (Chairman), Davide Rota (Director), Alberto Trondoli (Director), Cristiana Procopio (Director), Maurizia Squinzi (Independent Director), Serena Maria Torielli (Independent Director), and Sara Testino (Independent Director). It should be noted that, on 31 January 2023, Directors Alberto Trondoli and Cristiana Procopio resigned; the Board of Directors, in its meeting of 26 April 2023, co-opted Andrew Theodore Holt and Jeffrey Robert Libshutz (Independent Director), who were confirmed in office by the subsequent Shareholders' Meeting on 12 June 2023. Furthermore, on 21 February 2024, Chairman Renato Soru resigned; the Shareholders' Meeting of 17 June 2024 appointed Nick Daraviras as Director and, on the same date, designated Davide Rota as Chairman.

The "Corporate Governance Tables" Appendix (Table 2) includes information on the Directors in office during 2024. The members of the Board of Directors currently in office were all drawn from the single list jointly submitted by shareholders Renato Soru and Amsicora S.r.l., who, at the time of submission, held 4.77% and 8.45% of Tessellis' share capital, respectively, as well as Linkem S.p.A. The Directors were elected with the unanimous vote of 100% of the share capital present.

The Board of Directors will remain in office until the approval of the financial statements as at 31 December 2024.

The curricula vitae of all current members of the Board of Directors are available on the Company's website, www.tessellis.it, in the "Governance – Board of Directors" section.

The composition of the Tessellis Board of Directors features a female majority and a broad age range, reflecting the Company's concrete commitment to the values of diversity and inclusion – essential for addressing market transformation and unlocking new business opportunities – while maintaining the primary objective of ensuring the appropriate competence and professionalism of its members, including with regard to ESG issues.

At its meeting of 10 May 2018, upon proposal of the Appointment and Remuneration Committee, the Board of Directors adopted an updated Policy on Diversity in the Board of Directors and the Board of Statutory Auditors (hereinafter also referred to as the "**Policy**"), which was further revised during the meeting of 5 April 2022. The Policy addresses the composition of administrative and control bodies with respect to aspects such as age, gender, and educational and professional background, and is complemented by the broader Diversity Policy that applies to the entire corporate population.

The purpose of this Policy is to identify the criteria for a qualitative and quantitative composition of the Board of Directors that enables it to effectively fulfil the duties and responsibilities assigned to the management body. This includes ensuring the presence of individuals who can offer a sufficiently diverse range of perspectives and competencies necessary for a sound understanding of the market, current business affairs, and the long-term risks and opportunities related to the Company's operations. The Policy was drafted taking into consideration the nature and complexity of the Company's business, the social and environmental context in which it operates, the Board's experience with respect to its activities and working methods (including those of its internal committees), as well as the outcomes of self-assessment processes carried out over time. The Policy is particularly addressed to parties involved in the selection and appointment process of the members of the Company's Board of Directors, and therefore:

- to shareholders who, pursuant to the law and the Articles of Association, intend to submit lists of candidates for appointment to the Board of Directors;
- to the Shareholders' Meeting called to appoint the Board of Directors;
- to the Company's Board of Directors itself (in addition to shareholders), in the event it becomes necessary during the term of office to replace a Board member pursuant to Article 2386 of the Italian Civil Code.

All legal, regulatory and Articles of Association requirements regarding professionalism, integrity, independence, incompatibility and disqualification remain fully applicable.

For the sake of completeness, the Policy also includes a summary of the applicable provisions concerning the composition of the Company's Board of Statutory Auditors.

The Appointment and Remuneration Committee takes into account the guidance provided in this Policy when required to submit proposals to the Board of Directors regarding candidates for the position of Director, also considering any recommendations received from shareholders in certain predetermined cases.

For a detailed review of the Policy, please refer to the "Documents" section of the website www.tessellis.it.

Maximum Number of Positions Held in Other Companies

Directors must inform the Board of Directors of any positions held in other large companies within 30 days from the end of the previous financial year. During the meeting in which the Board of Directors approves the draft financial statements for the previous year, the cumulative number of positions held by each Director is assessed as follows:

(i) Executive Directors:

a) Executive Directors shall not hold other executive or control positions in other Issuers;

b) Executive Directors may hold other executive or control positions in up to two public interest entities or other large companies;

c) Executive Directors may hold non-executive positions on the Boards of Directors of up to five public interest entities or large companies.

(ii) Independent and Non-Executive Directors:

a) Independent or Non-Executive Directors may not hold positions in more than six other Issuers, in addition to executive positions in up to eight public interest entities or large companies.

The Board of Directors of Tessellis S.p.A. may grant exceptions, including temporary ones, allowing its Directors to hold positions on the administrative and control bodies of other significant companies.

Following the verification conducted on the members of the Board of Directors in May 2025, the current composition of the Board complies with the above limits.

<u>Self-Assessment</u>

The Board of Directors conducts an annual assessment, using formalized procedures, of its effectiveness and the contribution of individual Directors. The implementation of board evaluation procedures is overseen by the Board itself. The board assessment evaluates the size, composition, and functioning of the Board and its Committees. It also considers the Board's active involvement in defining corporate strategy and monitoring the company's operations, as well as the adequacy of the internal control system and risk management framework.

As in the previous year, a self-assessment of the Board and its Committees was carried out in 2023 with respect to their size, composition, and functioning. The self-assessment was conducted at the Board meeting held on 27 May 2024, with reference to the financial year ended 31 December 2024, and was based on a questionnaire distributed to all Directors (as well as to the Chair of the Board of Statutory Auditors). This was followed by a collective session for sharing and discussing the assessment results.

The self-assessment focused in particular on the following areas:

- size and composition;
- role and responsibilities of the Directors;
- effectiveness of the Board of Directors on key matters;
- working methods, cohesion, and interaction;
- organization of the Board's activities;
- internal Board Committees.

In addition to the skills and attitudes already mentioned, the views of individual Directors were collected with specific reference to:

- additional relevant competencies for the roles of Chair of the Board of Directors and members of internal Board Committees;
- specific skills required for the role of Chief Executive Officer.

The results of the peer review were presented to the Board at the meeting held on 27 May 2025.

In summary, the Directors expressed their appreciation for the strengths of the Board, including the following highlights:

- the qualitative and quantitative profile of the Board in terms of size, composition, and representation of diversity (expressed in various forms such as experience, professional background, age, gender, education, and international scope);
- the balance between independent and non-independent directors, which ensures a governance framework capable of reconciling diverse interests, effectively resolving potential conflicts, and safeguarding

Shareholders;

- the positive and collaborative atmosphere within the Board and the appreciation for the contributions made by its members, fostering trust and a well-balanced management of disagreements;
- the active participation of Directors in meetings;
- the structure, composition, and the substantial and proactive contributions made by the internal Board Committees;
- the adequacy and effectiveness of the current strategic planning and risk governance system.

Among the points for further reflection, the following emerged:

- the implementation of a more effective exchange of information regarding the status of implementation of Board resolutions and, in particular, the exercise of delegated powers;
- although already present in the Board's agenda, the topic of corporate security in relation to cyberattacks and cybersecurity;
- despite various improvements, the information flow to the Board still has room for enhancement, particularly in terms of timing and the definition of the corporate calendar;
- in defining short- to medium-term strategies, the Board hopes to be further involved, and a deeper insight into the Group's business is considered useful;
- the Directors expressed the wish to be more involved in business planning and risk management, through the sharing of key macro-data required to gain a 360-degree view that would enable them to contribute effectively and concretely.

Based on the insights gathered, an action plan will be developed including specific follow-up initiatives to be submitted to the attention of the newly appointed Board of Directors.

<u>Role of the Chair of the Board of Directors</u>

Article 12 (Convening and Conducting the Meetings of the Board of Directors) of the Articles of Association in force as of the date of this Report provides that the Chair of the Board of Directors convenes the Board and presides over and coordinates its meetings.

During the meetings of the Board of Directors, the Chair ensured that the documentation necessary for the Board to express informed opinions on the matters under review was prepared and made available to the Directors with reasonable notice.

As of the date of this Report, the Chair of the Board of Directors is Mr. Davide Rota, appointed on 17 June 2024.

<u>Secretary of the Board of Directors</u>

The Secretary of the Board of Directors is responsible for: *(i)* assisting the Board in preparing board and shareholders' meetings and drafting the related resolutions; *(ii)* overseeing and ensuring the adequacy, completeness, and clarity of information flows to the Board and corporate bodies.

The appointment and removal of the Secretary, as well as the definition of the relevant requirements (particularly regarding professionalism) and responsibilities, as outlined in the Board's rules of procedure, are subject to resolution by the Board of Directors upon proposal of the Chair.

As of the date of this Report, Federica Capoccia, General Counsel and Head of the Corporate & Legal Affairs function of the Tessellis Group, serves as Corporate Secretary, following her appointment by the Board of Directors on 16 May 2022. During the financial year ended 31 December 2024, the Secretary provided independent legal assistance and advice to the Directors on corporate governance matters and on their rights, powers, duties, and obligations, in order to ensure the proper exercise of their responsibilities.

Chief Executive Officer

Pursuant to Article 14 (Powers of the administrative body) of the Articles of Association in force as of the date of this Report, the Board of Directors may appoint one or more Chief Executive Officers, determining their powers within the limits established by law and within the scope of the Board's responsibilities.

The Board of Directors granted executive powers to the Chief Executive Officer at the meeting held on 16 May 2022.

As a general rule, the Chief Executive Officer may exercise his powers up to a maximum amount of EUR 2.5 million, with certain exceptions for which the threshold is raised to EUR 5 or 10 million.

The Chief Executive Officer reports, during meetings of the Board of Directors and in other appropriate settings, to the other Directors and to the Board of Statutory Auditors on any transactions with significant economic, financial or equity-related impact carried out by the Company or its subsidiaries. In addition, the CEO provides adequate and ongoing information to the Board of Directors regarding atypical or unusual transactions that do not fall under the Board's exclusive authority, as well as on any major activities carried out under his delegated powers and responsibilities. As a rule, except in cases of urgency, such activities are submitted in advance to the Board of Directors to allow for an informed and careful decision.

The Chief Executive Officer is primarily responsible for the management of the company and, as such, is tasked with establishing and maintaining the Internal Control and Risk Management System.

In 2024, the CEO *(i)* oversaw the identification of the Company's main risks, taking into account the nature of the activities carried out by the issuer and its subsidiaries, and regularly submitted them to the Board of Directors; *(ii)* implemented the guidelines set out by the Board, managing the design, implementation and oversight of the internal control and risk management system and continuously verifying its adequacy and effectiveness; *(iii)* ensured the system's adaptation to changing operational conditions and the evolving legislative and regulatory framework; *(iv)* requested the Internal Audit function to conduct reviews on specific operational areas and on compliance with internal rules and procedures in the execution of business activities, informing the Chair of the Board of Directors, the Chair of the Risk and Control Committee and the Chair of the Board of Statutory Auditors;

and *(v)* promptly reported to the Risk and Control Committee (or to the Board of Directors) on any issues or critical matters that arose in the performance of his duties or of which he became otherwise aware, so as to enable the Risk and Control Committee (or the Board of Directors) to take appropriate actions.

Disclosure to the Board

Given the frequency of meetings (without prejudice to any additional episodic and/or ongoing information flows, as set out in the Board Rules), the Chief Executive Officer reports on the activities carried out during the Board's sessions, including by providing specific supporting documentation in advance.

Other Executive Directors

There are no other members of the Board who qualify as executive directors.

Independent Directors

Tessellis complies with the provisions of Law No. 262/2005 and the principles of the Corporate Governance Code regarding the qualification of Directors as independent. Upon adoption of the Principles of Self-Regulation, at the meeting held on 5 April 2022, it was specified that any relationship generating revenue equal to or greater than 50% of the annual compensation granted by the Company in the previous year for the role of non-executive director shall normally be considered significant for the purposes of assessing independence.

The Board of Directors evaluates the independence of Directors – at the time of their appointment and at least annually during the preparation of this Report – based on the information provided by the individuals concerned. The outcome is duly disclosed to the market through the publication of the Report. Based on this assessment, the Board confirmed the independence of Maurizia Squinzi, Serena Torielli, Sara Testino, and Jeffrey Libshutz at its meetings of 7 May 2024 and 27 May 2025.

In making its assessment of the independence of non-executive directors, the Board took into account the circumstances that, according to the Code, disqualify a Director from being considered independent, and applied the principle of substance over form, as recommended by the Code. In line with the recommendations of the Corporate Governance Code, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors for assessing the independence of its members.

As of the date of this Report, the Board of Directors is composed of seven members, of whom 57.1% qualify as Independent Directors.

With reference to financial year 2024, and given the composition of the internal Board committees, the Independent Directors did not consider it necessary to meet without the presence of the other Directors, as matters deserving of specific analysis were duly addressed during both the committee meetings and the Board sessions.

The Board has not designated a Lead Independent Director, a role that is de facto carried out by Dr. Squinzi.

5.7 Management of Corporate Information

Tessellis has adopted a comprehensive set of rules and procedures for managing information handled within the company, in compliance with applicable regulations governing the various types of data. These rules operate across organisational, technological, and procedural levels.

Information processing, in particular, is supported by IT systems and related processes covering their development, maintenance, and operation – each governed by specific requirements and rules under the oversight of a dedicated organisational function.

Key documents relevant to the internal management and external disclosure of corporate information include the “Procedure for the Public Disclosure of Inside Information” and the “Internal Dealing Procedure” (available on the company website at www.tessellis.it, section Documents – Procedures), implemented in line with CONSOB’s recommendations in the “Guidelines for the Management of Inside Information” issued in October 2017. The Procedure for the Public Disclosure of Inside Information was most recently updated by the Board of Directors at its meeting on 5 April 2022. In addition, the Corporate & Legal Affairs and Investor Relations functions play an active role in establishing dialogue with shareholders and institutional investors, respectively. Among other responsibilities, these functions jointly draft press releases and, depending on their content, manage their internal approval process. They are also responsible for publication, often working with a network of qualified external agencies specialised in this activity.

The company ensures consistent information flow not only through press releases, but also via regular meetings with institutional investors and the financial community, as well as through a wide range of documents made available on the company’s website at www.tessellis.it. Online communication, predominantly accessed by non-institutional audiences, is considered a strategic tool, as it allows for broad and consistent dissemination of information.

Tessellis is committed to ensuring the accuracy, completeness, continuity, and timely updating of all financial content shared on its corporate website. A dedicated email address is also available for contact: ir@tiscali.com.

5.8 Internal Committees of the Board of Directors (pursuant to Article 123-*bis*, paragraph 2, letter d) of the TUF)

The Board of Directors, in accordance with the recommendations of the Corporate Governance Code, has established certain internal Board committees and appointed their members.

On 16 May 2022, the Board of Directors appointed the following internal committees:

- *Appointment and Remuneration Committee*, composed of Serena Torielli (Chair), Maurizia Squinzi and Sara Testino.

- *Control and Risk Committee*, composed of Maurizia Squinzi (Chair), Sara Testino and Serena Torielli; pursuant to the Board resolution of 16 May 2022, the Control and Risk Committee also performs the duties of the *Related Party Transactions Committee*.

The committees shall remain in office until the approval of the financial statements as at 31 December 2024, together with the Board of Directors, the Executive Officer for Financial Reporting, the Supervisory Body and the Head of Internal Audit.

The Board determined the composition of the committees by prioritising the expertise and experience of their members and avoiding an excessive concentration of positions.

The internal Board committees operate under the same rules as the Board of Directors, to the extent applicable. All committees have a Chairperson who coordinates the meetings (which are duly minuted) and reports on the matters discussed to the Board plenary at the next available meeting.

5.9 Composition and Functioning of the Appointment and Remuneration Committee (pursuant to Article 123-*bis*, paragraph 2, letter d), of the Consolidated Law on Finance – TUF)

Since March 2001, the Company's Board of Directors has established an Appointment and Remuneration Committee within its structure, in accordance with Articles 4 and 5 of the Corporate Governance Code and related recommendations.

The Committee in office as of the date of this Report was appointed by the Board of Directors on 16 May 2022 and is composed of three non-executive and independent directors: Serena Torielli (Chair), Maurizia Squinzi, and Sara Testino (for details, please refer to Table 2).

Two members of the Appointment and Remuneration Committee possess significant knowledge and experience in accounting and finance, while one director has specific expertise in remuneration policies.

The Company has opted for a single Committee to perform both appointment- and remuneration-related functions. Specifically, the Appointment and Remuneration Committee is entrusted with the following duties:

a) provides opinions to the Board of Directors on its size and composition and makes recommendations regarding the professional profiles whose presence on the Board is deemed appropriate;

b) proposes candidates to the Board of Directors for the office of director in the event of co-optation, where it is necessary to replace independent directors;

c) periodically assesses the adequacy, overall consistency, and effective implementation of the remuneration policy for directors and executives with strategic responsibilities, relying in this respect on the information provided by the Chief Executive Officers; it also submits related proposals to the Board of Directors;

d) assists the Board in preparing the remuneration policy by making proposals or providing opinions on the remuneration of executive directors and other directors holding specific roles, as well as on the definition of performance objectives linked to the variable component of such remuneration;

e) monitors the effective implementation of the remuneration policy – specifically verifying the actual achievement of performance objectives – and periodically evaluates the adequacy and overall consistency of the remuneration policy for directors and top management.

In carrying out its duties, the Committee may engage external consultants at the Company's expense. The Committee meets whenever necessary, at the request of one or more of its members. The rules laid down in the Articles of Association apply to the calling and conduct of meetings, insofar as they are compatible.

The work of the Committee is coordinated by a Chair; meetings are duly minuted and, as a rule, the Chair reports to the next available meeting of the Board of Directors.

During the 2024 financial year and as of the date of this Report, the Appointment and Remuneration Committee met twice: on 7 May 2024 and 26 May 2025.

On 26 May 2025, the Committee reviewed and approved the guidelines for the 2025 Management by Objectives (MBO) incentive scheme, the 2025 MBO objectives for the Chief Executive Officer, the report on the remuneration policy and on the compensation paid by Tessellis S.p.A., and the 2024 short-term variable remuneration for the Chief Executive Officer.

The annual remuneration report was subsequently approved by the Board of Directors and submitted to the Shareholders' Meeting.

Directors abstain from participating in Committee meetings where proposals concerning their own remuneration are discussed.

In carrying out its duties, the Appointment and Remuneration Committee had access to the information and corporate functions necessary for the fulfilment of its tasks.

All members of the Committee attended the meetings, which were also attended – by invitation – by all members of the Board of Statutory Auditors.

Meetings lasted an average of approximately 80 minutes.

5.10 Remuneration of Directors, General Managers and Executives with Strategic Responsibilities

Information regarding the general remuneration policy, share-based remuneration plans, and the remuneration of directors, general managers, executives with strategic responsibilities and heads of control functions is provided in the Remuneration Report, to which reference is made.

5.11 Internal Control and Risk Management System – Control and Risk Committee

The Company adhered to the Corporate Governance Code for listed companies as early as October 2001.

Following the approval of the new Corporate Governance Code issued by the Corporate Governance Committee in January 2020, Tessellis assessed its compliance with the new requirements and prepared this report in accordance with the new format communicated by Borsa Italiana in February 2022. Tessellis considers its internal control and risk management system to be compliant with the provisions of the Corporate Governance Code.

Internal Control System

The internal control system comprises all processes aimed at monitoring the efficiency of business operations, the reliability of financial reporting, compliance with laws and regulations, and the safeguarding of corporate assets.

The Board of Directors has ultimate responsibility for the internal control system, setting its guidelines and periodically verifying its adequacy and effective functioning, ensuring that the main business risks are properly identified and managed.

In addition to ongoing dialogue and coordination among the various corporate bodies involved, the Control and Risk Committee prepares a dedicated report on the Company's and Group's governance system and the activities carried out during the reference period. This report is submitted semi-annually during the approval of the annual financial statements and the half-yearly report. It includes documentation from the Supervisory Body and the Head of Internal Audit.

The Board of Directors examines these reports and evaluates the governance system along with the Internal Audit plans. For the financial year 2024, during the meetings held on 7 May and 8 October – corresponding to the approval of the financial statements as of 31 December 2023 and the half-yearly report as of 30 June 2024 – the Board of Directors deemed the internal control system to be adequate in relation to the Company's needs, current regulations, and the recommendations outlined in the Corporate Governance Code, approving the Internal Audit plans after consulting the Board of Statutory Auditors and the Director in charge of the internal control system.

The Board evaluated the adequacy and effectiveness of the organisational, administrative, and accounting structure of Tessellis S.p.A. and its wholly owned subsidiary, Tiscali Italia S.p.A. – a strategically important Group entity – with specific regard to the internal control and risk management system, and also in light of the Company's characteristics and risk profile. It reviewed overall business performance, considering in particular the information received from the executive bodies and regularly comparing actual results against budgeted figures.

The Control and Risk Committee plays a key role in the internal control system; its responsibilities and operation are described in the following section. Other components of the internal control system include the CEO – functions performed by the Chief Executive Officer – and the Internal Audit function.

In line with the Corporate Governance Code, the CEO implements the directives of the Board of Directors concerning internal control, ensures the identification and management of the main business risks, and submits them to the Board for evaluation. The CEO also proposes the appointment of the Head of Internal Audit and relies on this function to perform his duties.

The Head of Internal Audit is equipped with the necessary resources to perform their duties and does not report hierarchically to any operational manager. They report directly to the Board of Directors, the Control and Risk Committee, and the Board of Statutory Auditors, at least on a semi-annual basis.

The Head of Internal Audit is operationally responsible for coordinating the Internal Audit function, holds no operational roles, and possesses the professional expertise required to perform the assigned tasks in line with the recommendations of the Code. To further reinforce independence, the Head of Internal Audit – and thus the Internal Audit function – reports hierarchically to the Chair of the Control and Risk Committee, and administratively to the CEO, who is responsible for ensuring adequate resources for the Internal Audit function. The Control and Risk Committee reviews the work plan prepared by the Head of Internal Audit and assesses the adequacy of the allocated resources. To carry out her responsibilities, the Head of Internal Audit has had access to all necessary information.

Continuing from the previous term, the role of Head of Internal Audit has been held by Dr. Francesca Marino, appointed by the Board of Directors on 16 May 2022, upon recommendation from the Control and Risk Committee and the Board of Statutory Auditors. She will remain in office until the approval of the financial statements for the year ending 31 December 2024.

As of the date of this Report, the main activities carried out in the area of internal control by the Committee and the Internal Audit function included the following:

1. Assessment of Group governance under the control of Tessellis and of the activities carried out by the various control bodies;
2. Preparation of semi-annual reports for the Board of Directors on governance-related activities;
3. Evaluation of the activities of the Supervisory Body and the update, dissemination, and application of the Group's organisation, management, and control model pursuant to Legislative Decree 231/2001;
4. Execution of the 2024 audit plan and preparation of the 2025 audit plan;
5. Review of the adequacy of administrative and accounting procedures for the preparation of the half-yearly report and 2024 financial statements, with the aim of evaluating their effectiveness in supporting the Officer Responsible for Financial Reporting. This activity also serves as a basis for issuing the certification pursuant to Article 154-*bis* of the TUF;
6. Support in updating the organisation, management, and control model pursuant to Legislative Decree 231/2001, to ensure full compliance with legal requirements. For this activity, the Company engaged an external specialised firm, and as of the date of this Report, the model update is underway;
7. Approval of the so-called Whistleblowing Procedure pursuant to Legislative Decree no. 24 of 10 March 2023, for managing, receiving, analysing, and processing reports of potential misconduct, however named, committed within the scope of corporate activities and potentially in breach of the 231 Model, the Code of Ethics, and/or one or more Group procedures;
8. Implementation of the EQS Integrity Line platform, for the collection and management of reports in compliance

with the new requirements of the EU Whistleblowing Directive (2019/1937);

9. Support in the preparation of the Sustainability Disclosure in accordance with the CSRD (Corporate Sustainability Reporting Directive).

<u>Control and Risk Committee</u>

In line with the recommendations of the Corporate Governance Code, the Board of Directors has established a Control and Risk Committee with advisory and propositional functions.

On 16 May 2022, the Control and Risk Committee was appointed, composed of three non-executive and independent Directors: Maurizia Squinzi (Chair), Sara Testino and Serena Torielli. The Control and Risk Committee has advisory and propositional functions with the aim of enhancing the functionality and strategic guidance capacity of the Board of Directors in relation to the internal control system. At least one member of the Control and Risk Committee has experience in accounting and finance and/or risk management.

The Committee also performs ESG-related duties, as the Company has not set up a dedicated ESG board committee.

Pursuant to Article 6 of the Code, the Control and Risk Committee supports the Board of Directors by:

a. assessing, in consultation with the Executive Responsible for preparing the corporate accounting documents, the statutory auditor and the Board of Statutory Auditors, the proper use of accounting standards and, in the case of groups, their consistency for the purposes of preparing the consolidated financial statements;
b. evaluating whether the periodic financial and non-financial information adequately represents the company's business model, strategies, business impact and performance achieved, in coordination with any committee established pursuant to Recommendation 1, letter a) of the Code;
c. reviewing the content of periodic non-financial disclosures that are relevant for the internal control and risk management system;
d. providing opinions on specific aspects relating to the identification of the main business risks and supporting the assessments and decisions of the administrative body concerning the management of risks arising from prejudicial events of which it becomes aware;
e. examining periodic and significant reports prepared by the Internal Audit function;
f. monitoring the independence, adequacy, effectiveness and efficiency of the Internal Audit function, to which it may assign audits on specific operational areas, notifying the Chair of the Board of Statutory Auditors accordingly.

The entire Board of Statutory Auditors or its Chair – or a statutory auditor appointed by the Chair – attends the meetings of the Control and Risk Committee. Depending on the topics under discussion, the Chair of the Control and Risk Committee may also invite the Chief Executive Officer, as well as other individuals such as the independent auditors, the Chief Financial Officer, the Executive Responsible for preparing the corporate accounting documents, etc., to participate.

Meetings of the Control and Risk Committee are typically held before the Board of Directors meetings scheduled to approve the half-year and annual financial reports, and in any case at least on a semi-annual basis. The Chair of the Committee ensures that the necessary documentation and information are made available to the members reasonably in advance of the meeting date, except in cases of urgency. A written summary of the Committee's activities is always prepared. Information on the Committee meetings is shared at the first available Board meeting.

In 2024, the Control and Risk Committee met twice – on 7 May and 8 October. In 2025, it met on 8 April and 27 May. During these meetings, the Committee reviewed and evaluated the activities carried out for the preparation of the draft financial statements as of 31 December 2024, the work of the Internal Audit function and the Supervisory Body. It approved the 2025 audit plan and the annual reports submitted to the Board of Directors. The Committee also monitored the activities of the Supervisory Body pursuant to Legislative Decree 231/2001 and reviewed the report prepared by the Manager in charge on the verification of the internal control model and the effectiveness of operational controls pursuant to Law No. 262. It also updated the risk report and related mitigation measures.

Furthermore, the Committee periodically monitored the progress of the industrial integration process between the Tessellis Group and the retail branch of the former Linkem, following the merger completed in August 2022 – particularly focusing on the reorganisation of the corporate and management structure and the alignment of operating systems for business processes. Lastly, the Committee evaluated the results of the dual materiality assessment under the Corporate Sustainability Reporting Directive (CSRD) and issued its opinion to the Board of Directors.

All members of the Control and Risk Committee and the entire Board of Statutory Auditors attended the meetings. According to the agenda items, the meetings were also attended by the Supervisory Body, the Head of Internal Audit, the Executive Responsible for preparing the corporate accounting documents, and representatives of the independent auditors or company directors and consultants.

All meetings were duly convened and minuted, with an average duration of approximately 150 minutes.

<u>Executive Responsible for Preparing the Company's Financial Reports</u>

As set out in Article 14 of the Articles of Association and in compliance with the provisions introduced by Law No. 262/2005, on 12 September 2022, Fabio Bartoloni – Chief Financial Officer and senior executive of the Company – was appointed as the Executive Responsible for Preparing the Company's Financial Reports (hereinafter also referred to as the "Executive"), having the required qualifications and proven experience in accounting and financial matters. His term of office will expire upon the renewal of the Board of Directors, scheduled for the date of approval of the financial statements as at 31 December 2024.

Pursuant to Article 14 of the Company's Articles of Association, the Executive Responsible for Preparing the Company's Financial Reports is appointed by the Board of Directors upon proposal of the Chief Executive Officer, subject to the mandatory opinion of the Board of Statutory Auditors. The Executive must meet the integrity requirements applicable to Directors and must have significant professional experience in administration and finance. The term of office is three years, or a shorter period as established at the time of appointment, and the Executive may be reappointed.

Statutory Auditor

The statutory audit of the accounts is carried out by an audit firm registered in the appropriate register and appointed by the Shareholders' Meeting based on a reasoned proposal from the Board of Statutory Auditors. Specifically, the Shareholders' Meeting held on 30 May 2017, based on a reasoned proposal from the Board of Statutory Auditors and following a thorough technical and economic assessment, resolved to award the statutory audit engagement for the financial years 2017-2025 to Deloitte & Touche S.p.A.

Internal Controls Related to Financial and Accounting Reporting

The Internal Control System on corporate reporting should be understood as the process, involving multiple corporate functions, that provides reasonable assurance regarding the reliability of financial reporting, the accuracy of accounting documents, and compliance with applicable regulations.

There is a clear and substantial correlation with the risk management process, which consists of identifying and analysing those factors that could jeopardize the achievement of corporate objectives. The primary purpose is to determine how such risks can be managed, adequately monitored, and, as far as possible, rendered harmless.

An appropriate and effective risk management system can, in fact, mitigate potential negative effects on corporate objectives, including the reliability, accuracy, trustworthiness, and timeliness of accounting and financial information.

Description of the Main Features of the Existing Risk Management and Internal Control Systems Related to the Financial Reporting Process

A) Phases of the Existing Risk Management and Internal Control Systems Related to the Financial Reporting Process

Identification of Risks in Financial Reporting

The risk identification activity is first conducted through the selection of relevant entities (companies) within the Tessellis Group, and subsequently through the analysis of risks present along the business processes from which financial information originates.

This activity includes: *i)* defining quantitative criteria in relation to the economic and financial contribution provided by individual companies in the latest financial statements, and setting selection rules with minimum materiality thresholds. Qualitative elements may also be considered; *ii)* identifying significant processes associated with material data and information, that is, accounting entries where there is a non-remote possibility of containing errors with a potentially significant impact on financial reporting.

For each significant account, the most relevant "assertions" are also identified, always based on risk analysis. These financial statement assertions include existence, completeness, occurrence, valuation, rights and obligations, and presentation and disclosure. The risks, therefore, refer to the possibility that one or more financial statement assertions are not accurately represented, thus affecting the reliability of the information.

Risk Assessment in Financial Reporting

Risk assessment is conducted both at the overall company level and at the level of specific processes. At the entity level, this includes risks of fraud, malfunctioning IT systems, or other unintentional errors.

At the process level, risks related to financial reporting – such as understatements, overstatements of accounts, or inaccurate disclosure – are analysed within the individual activities that make up each process.

Identification of Controls in Response to Identified Risks

Preliminary attention is given to entity-level controls related to relevant data/information and assertions. These controls are identified and assessed both through monitoring their impact at the process level and at the overall corporate level.

Entity-level controls are aimed at preventing, detecting, and mitigating potential material errors, even though they do not operate directly within individual processes.

Assessment of Controls in Response to Identified Risks

The assessment of the control system is based on various factors: timing and frequency, adequacy, operational compliance, and organizational evaluation.

The overall analysis of controls addressing each risk is determined independently as a synthesis of the assessment process regarding the adequacy and compliance of those controls.

This analysis summarizes considerations regarding the effectiveness and efficiency of the controls in mitigating each specific risk, so that the overall risk management assessment is broken down into evaluations of existence, adequacy, and compliance.

Information flows containing the results of the activities carried out are reported to the governance bodies by the Executive Responsible for Preparing the Company's Financial Reports, in support of the certifications of the financial documents.

B) Roles and Functions Involved

The Executive Responsible for Preparing the Company's Financial Reports holds a top position in the system overseeing the preparation of financial reporting and is responsible for informing top management accordingly.

To fulfil this role, the Executive Responsible has the authority to define the organizational guidelines necessary for an adequate structure within their department; they are provided with the means and tools needed to carry out their duties and may collaborate with other organizational units.

Multiple corporate functions contribute to the generation of economic and financial information. Accordingly, the Executive Responsible maintains a systematic and effective relationship with these departments.

The Executive Responsible relies on the Internal Audit function to assess the effectiveness and efficiency of the internal control system related to financial reporting. Specifically, at the beginning of each year, testable controls are identified – both at the process level and for general IT controls – and testing is carried out throughout the financial year. The results are submitted to the Executive Responsible, and any areas for improvement are discussed with the relevant department contacts.

The model in place is deemed sufficient to ensure accurate accounting and financial reporting.

During 2024, following the Merger, it became necessary to adapt administrative and accounting procedures and to integrate processes and information systems. Consequently, the Executive Responsible conducted specific risk assessments concerning financial reporting and defined plans to update the model established under Law No. 262 of 2005 (hereinafter also referred to as the "**262 Model**") in line with evolving business processes, organizational structure, and IT systems as part of the integration process.

In particular, a 262 Model Contact was appointed in 2022 and confirmed for the closing year. This individual is tasked with ensuring the mapping of controls in relation to identified risks and coordinating the updating and formalization of controls by the respective control owners. As usual, the Internal Audit function will oversee the assessment of control effectiveness and efficiency through the execution of the annual 262 Model program, with particular attention to control design and careful planning of audits in coordination with process owners and operational activities.

Supervisory Body

On 16 May 2022, the Board of Directors, with the favourable opinion of the Appointment and Remuneration Committee, appointed the current Supervisory Body (SB), composed of Maurizio Piras (Chair) and Francesca Marino. The SB will remain in office until the approval of the financial statements as at 31 December 2024.

Organisation, management and control model pursuant to Legislative Decree No. 231/2001

The Company has adopted an Organisational, Management and Control Model in accordance with the provisions of Legislative Decree 231/2001, with the aim of formally ensuring conditions of fairness and transparency in the conduct of corporate activities (hereinafter also referred to as the "231 Model"), composed of:

1) a general section, which outlines the objectives and principles of the 231 Model and defines its essential components;
2) special sections, which contain the rules that corporate officers and those subject to their direction and supervision are required to follow for proper application of the 231 Model, as well as the tools necessary for the Supervisory Body (SB) and other control functions to carry out monitoring, control and verification activities.

During 2024 and the first months of 2025, a new revision and update process of the 231 Model was initiated, to ensure it remains aligned with ongoing regulatory changes relevant to the Company.

In compliance with Article 6 of Legislative Decree 231/2001, the Company has appointed a Supervisory Body (SB) responsible for overseeing the functioning and compliance of the Model and ensuring its updating.

On 12 November 2010, the Board of Directors adopted a Code of Ethics, which sets out the principles of business ethics that must characterise all managerial and operational processes of the Company at all times. The Code of Ethics also includes behavioural rules designed to prevent the commission of offences as well as any conduct inconsistent with the Company's values.

The 231 Model and the Code of Ethics, as updated from time to time, are available on the Company's website, in the *Documents/Organisational Model section*.

The Supervisory Body is responsible, among other things, for: *(i)* promoting and overseeing the dissemination and awareness of the 231 Model and implementing staff training plans through training programmes addressed to the Recipients (as defined in the 231 Model); *(ii)* reporting to the Board of Directors any violations of the 231 Model and/or applicable laws and regulations that come to its attention in the course of carrying out its duties; and *(iii)* monitoring the effectiveness, adequacy and compliance with the provisions of the 231 Model by the Recipients.

The Supervisory Body performs the following tasks: *(i)* monitoring the actual implementation of the 231 Model, through the verification of consistency between business activities and the adopted Model; *(ii)* assessing the adequacy of the 231 Model in terms of its ability to prevent unlawful conduct; *(iii)* analysing whether the requirements of the 231 Model are maintained over time and whether it remains suitable for its intended purposes; *(iv)* overseeing the updating of the 231 Model, in cases where its analyses highlight the need for modifications or adjustments, by submitting proposals for changes to the corporate bodies/functions capable of implementing them. Depending on the nature and extent of the changes, such proposals are addressed to the HR and Organisation, Administration functions or, in certain significant cases, to the Board of Directors; and *(v)* ongoing monitoring, meaning the verification of implementation and actual functionality of the proposed solutions.

The Supervisory Body reports to the Board of Directors: *(i)* when necessary, on proposals for the update and revision of the Special Sections of the 231 Model, through the amendments and additions deemed appropriate; *(ii)* immediately, on any confirmed violations of the 231 Model that may trigger liability for the Company, so that appropriate measures can be taken. In cases where actions must be taken against Directors, the SB is required to inform the Shareholders' Meeting; and *(iii)* periodically, by submitting an information report – at least on a half-yearly basis—on the monitoring and verification activities carried out and the outcomes thereof.

The Supervisory Body also reports to the Board of Statutory Auditors, including in light of the clarifications set out in the "Rules of Conduct for the Board of Statutory Auditors of Listed Companies," most recently issued by the Italian National Council of Chartered Accountants and Accounting Experts in December 2024[7]: *(i)* immediately, in the event of confirmed violations of the 231 Model that could result in liability for the Company, as the Board of Statutory Auditors must oversee the adequacy and effective functioning of the Company's administrative, organisational and accounting system; and *(ii)* periodically, by providing the above-mentioned information report.

The Supervisory Body – also in light of the clarifications provided by the *"Rules of Conduct for the Board of Statutory Auditors of Listed Companies"* most recently issued by the Italian National Council of Chartered Accountants and Accounting Experts in December 2024 – reports to the Board of Statutory Auditors: *(i)* without delay, with regard to any confirmed violations of the 231 Model that could give rise to liability on the part of the Company, given that the Board of Statutory Auditors is responsible for monitoring the adequacy and proper

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[7] Pursuant to standard Q.5.5, *"For the purpose of carrying out its supervisory activities, the Board of Statutory Auditors obtains information from the Supervisory Body regarding its legal duty to monitor the functioning of, compliance with, and updates to the model adopted pursuant to Legislative Decree No. 231/2001. The Board of Statutory Auditors verifies that the model sets out the terms and procedures for the exchange of information between the Supervisory Body, the administrative body, and the Board of Statutory Auditors itself."*

functioning of the Company's administrative, organisational and accounting system; and *(ii)* on a regular basis, by transmitting the periodic information report referred to in the previous point.

5.12 Interests of Directors and Related Party Transactions

At Tessellis, internal governance rules provide that any director with a personal (non-corporate) interest must recuse themselves from meetings and/or abstain from voting. In any case, a regime of prior disclosure is enforced. This matter is governed by the Principles of Self-Regulation and the Board's internal regulations.

In compliance with the Consob Regulation on Related Party Transactions, the Company has adopted a dedicated "Related Party Transactions Procedure" (hereinafter also referred to as the "RPT Procedure" or the "Procedure"), most recently updated on 28 July 2021 and available on the Company's website (www.tessellis.it, section Documents – Procedures). The Procedure includes, among other provisions:

- the establishment of a dedicated Board committee responsible for overseeing related party transactions undertaken both by Tessellis and its subsidiaries (except for transactions that qualify as excluded);
- the classification of related party transactions as either of Greater Significance or of Lesser Significance (excluding transactions that qualify as exempt, as specifically defined);
- the introduction of an annual materiality threshold, differentiated according to whether the related party is an individual or a legal entity (EUR 50,000 and EUR 100,000 respectively);
- the definition of "Related Parties" in line with the accounting principles adopted by the Company for its financial statements, as well as Consob's regulatory framework;
- the assignment to the Corporate & Legal Affairs function of the task of managing and updating the Related Parties List, and more broadly, supporting and coordinating the Committee's activities.

The opinions issued by the Committee, although not binding, relate to the Company's interest in executing a transaction, as well as the fairness and substantive appropriateness of the related terms and conditions. Before issuing an opinion, a specific due diligence process is carried out with the full cooperation of the management. In the case of a negative opinion by the Committee on transactions of greater significance, the Board of Directors may still proceed with the transaction but must subject it to the prior approval of the Shareholders' Meeting.

Related Party Transactions Committee

As of the date of this Report, the Related Party Transactions Committee is composed of independent directors Maurizia Squinzi (Chair), Sara Testino, and Serena Torielli, appointed by the Board of Directors on 16 May 2022. This Committee is responsible for reviewing transactions with related parties classified as of Greater Significance pursuant to the Procedure described below.

The Committee performs the duties set forth under CONSOB regulations and the RPT Procedure, which defines the rules, processes, and principles designed to ensure transparency, as well as substantive and procedural fairness in related party transactions entered into by Tessellis. The RPT Procedure outlines different approval paths based on the significance, value, and nature of the transactions.

The Committee performs the following functions: *(i)* it issues a non-binding, reasoned opinion on the Company's interest in carrying out transactions of Lesser Significance (as defined in the RPT Procedure), as well as on the fairness and substantive appropriateness of the related terms and conditions; and *(ii)* for transactions of Greater Significance (as defined in the RPT Procedure), the Committee is also involved in the negotiation and due diligence phases and subsequently issues a binding, reasoned opinion – subject to specific approval procedures – on the Company's interest in the transaction, and on the fairness and substantive appropriateness of the relevant terms and conditions.

In the course of the 2024 financial year, the Related Party Transactions Committee met four times – on 2 February, 6 May, 8 October, and 16 December. In 2025, it met on 25 March and 28 April. All members of the Committee and the full Board of Statutory Auditors attended the meetings.

Meetings lasted an average of approximately 40 minutes.

For a more detailed overview of the topics discussed, please refer to the periodic disclosures to the market pursuant to Article 114, paragraph 5, of Legislative Decree No. 58/98, available on the website www.tessellis.it, section Press Releases.

5.13 Board of Statutory Auditors

The Board of Statutory Auditors in office as of the date of this Report was appointed by the Shareholders' Meeting held on 17 June 2024 and will remain in office until the approval of the financial statements as of 31 December 2026.

The Board of Statutory Auditors was appointed based on the sole list submitted by ShellNet S.p.A. (formerly Opnet S.p.A.), which, at the time of submission, held a direct and indirect stake equal to 59.26% of Tessellis's share capital. The list received 59.33% of the votes cast at the Meeting. The following individuals were appointed:

- Dr Riccardo Francesco Rodolfo Zingales, Chair of the Board of Statutory Auditors;
- Dr Rita Casu, Standing Auditor;
- Dr Antonio Zecca, Standing Auditor;
- Dr Stefania Bettoni, Alternate Auditor;
- Dr Guido Sazbon, Alternate Auditor.

Table 3 provides further details on the composition of the Board of Statutory Auditors. The professional résumés of the Statutory Auditors are available on the Company's website at www.tessellis.it, section Governance – Board of Statutory Auditors. For the Company's diversity policies, please refer to the considerations set out in Paragraph 4.3.

Appointment and Composition

In accordance with the first principle of Article 8 of the Corporate Governance Code regarding the appointment of statutory auditors, the Articles of Association in force as of the date of this Report provide, under Article 18 (Board of Statutory Auditors), for the slate voting mechanism, which ensures transparency and fairness in the appointment process and protects minority shareholders' rights.

Only Shareholders who, individually or jointly with others, hold at least the percentage of the share capital required by applicable law are entitled to submit slates. Each slate must include five candidates, listed in order of seniority based on their professional background. For 2025, the minimum shareholding required to submit minority slates, as established by Consob, is equal to 2.5% of Tessellis's share capital (see Consob Resolution No. 123/2025). Each Shareholder may submit or participate in the submission of only one slate, and each candidate may appear on only one slate, under penalty of ineligibility. Slates must be filed at the Company's registered office at least twenty-five days prior to the scheduled date of the Shareholders' Meeting, together with the candidates' professional résumés and a declaration of their acceptance of the candidacy, attesting to the absence of causes of ineligibility or incompatibility and the possession of the integrity and professional requirements provided by applicable law and the Articles of Association. No later than twenty-one days before the Shareholders' Meeting, the slates and related documentation must be made publicly available in accordance with legal requirements.

Each Shareholder may vote for only one slate. The following shall be elected: *a)* from the slate that received the highest number of votes, two Standing Auditors and one Alternate Auditor, in the order in which they appear on the slate; *b)* the third Standing Auditor shall be the candidate listed first among the Standing Auditors on the slate that received the second-highest number of votes among those submitted and voted by Shareholders not connected, even indirectly, to those who submitted or voted for the winning slate; and *c)* the second Alternate Auditor shall be the candidate listed first among the Alternate Auditors on the same minority slate referred to above.

In the event of a tie between slates submitted and voted by Shareholders not connected to the majority slate, the candidate from the slate submitted by the Shareholder with the largest holding – or, failing that, by the highest number of Shareholders – shall be elected.

The Chair of the Board of Statutory Auditors shall be the candidate listed first among the Standing Auditors on the most voted minority slate, as described above. If only one slate is submitted, the first three candidates will be appointed as Standing Auditors, and the fourth and fifth as Alternate Auditors, in order of listing. The first candidate will assume the role of Chair.

If the elected Board of Statutory Auditors does not ensure gender balance as required by current legislation, the last elected candidates of the overrepresented gender on the majority slate will be disqualified to the extent necessary to meet the requirement and replaced by the first unelected candidates of the underrepresented gender from the same slate. If there are not enough underrepresented gender candidates on the majority slate, this criterion will apply to the most voted minority slates from which elected candidates were drawn.

If it is not possible to identify suitable replacements even under the above criteria, the Shareholders' Meeting shall complete the board by majority vote, ensuring compliance with the gender balance requirement set forth by applicable law.

Requirements

Pursuant to Article 18 (Board of Statutory Auditors) of the Articles of Association in force as of the date of this Report, at least one Standing Auditor and at least one Alternate Auditor must be selected from among those registered in the official register of statutory auditors and who have carried out statutory auditing activities for no less than three years.

Auditors who do not meet the above requirement must have acquired at least three years of overall experience in activities related to the Company's corporate purpose and, in any case, to the telecommunications sector. Article 18 (Board of Statutory Auditors) also provides that individuals who already hold the office of Standing Auditor in more than five listed companies may not be appointed.

Activities

The members of the Board of Statutory Auditors operate with full autonomy and independence, maintaining regular interaction with the Control and Risk Committee – whose meetings they consistently attend – and with the Internal Audit function, in line with the principles and application criteria set forth in Article 8 of the Corporate Governance Code.

During the 2024 financial year, the serving Board of Statutory Auditors held 11 meetings, all of which were attended by all members, with an average duration of 90 minutes. At its meeting of 25 March 2024, the Board assessed compliance with the legal requirements applicable to its members.

For the 2025 financial year, 11 meetings have been scheduled, of which 3 have already taken place.

5.14 Relations with Shareholders

The Company believes that establishing and maintaining a transparent and ongoing dialogue with institutional investors, financial analysts, shareholders, and the financial community at large is in its specific interest – as well as a duty to the market. This dialogue is guided by the principles of truthfulness, timeliness, clarity, consistency, completeness, and informational symmetry. It is grounded in mutual understanding of roles, aimed at enabling timely and transparent communication about the Company's performance, activities, and corporate purpose, as well as at gathering feedback and suggestions in a constructive manner and facilitating an informed exercise of shareholder rights. To this end, the Board of Directors adopted a dedicated *Engagement Policy* at its meeting on 5 April 2022, which is available on the Company's website www.tessellis.it under the "Documents" section.

The Engagement Policy provides that dialogue must respect the principle of equal treatment among shareholders and that all activities related to interactions with shareholders and other relevant stakeholders are carried out in compliance with applicable regulations and internal procedures on inside information. The Company pays particular attention to ensuring that relevant information (especially price-sensitive information), as well as confidential information by nature or contractual obligation, is not disclosed inappropriately.

The information disclosed is proportionate and balanced in terms of the interests of both the Company and its stakeholders, and is consistent with prior disclosures.

The Board of Directors of Tessellis S.p.A. approved the policy in accordance with the recommendations of the Corporate Governance Code and the engagement policies adopted by institutional investors. The Board is responsible for adopting, disclosing, implementing, and potentially updating the engagement policy.

The process of managing dialogue with the generality of shareholders and other relevant stakeholders is promoted by the Board of Directors through the Investor Relations function.

The Investor Relations function facilitates and coordinates ongoing dialogue with shareholders – including institutional and individual investors, both current and potential - as well as with financial analysts, the financial community, and other interested parties. It is also responsible for engaging with stakeholders based on the subject matter at hand and, in agreement with the Chief Executive Officer, for drafting proposals to amend the engagement policy to be submitted to the Board of Directors.

Specifically, the Investor Relations function: *(i)* promotes the development and maintenance of transparent and ongoing forms of dialogue with shareholders, also taking into account the engagement policies of major institutional investors (as applicable from time to time), aimed at ensuring comprehensive disclosure of the Company's overall performance; and *(ii)* promotes initiatives designed to foster dialogue with other relevant stakeholders of the Company (following their identification).

The Chief Executive Officer is tasked with actively promoting, also through the Investor Relations function, dialogue with the Company's shareholders and other relevant stakeholders. Specifically, the Chief Executive Officer: *(i)* selects, on behalf of the Company, the participants in stakeholder engagement activities from among the directors and/or managers who have the appropriate knowledge and capabilities to provide relevant information; and *(ii)* keeps the Board of Directors informed on the engagement activities carried out.

To this end, the Chief Executive Officer may involve individual directors, the Corporate Secretary, and the relevant Corporate Functions in relation to specific matters of interest and, if necessary, may also engage external advisors.

The Investor Relations function is responsible for ongoing interaction with institutional investors, financial analysts, the generality of shareholders, and the financial community. Specifically, it: *(i)* gathers requests from institutional investors, financial analysts, and shareholders to foster dialogue with the Company, reporting them to the Chief Executive Officer in a timely manner and within its remit; *(ii)* coordinates, where necessary and in agreement with the CFO, with the Company's internal functions to carry out appropriate assessments aimed at collecting the information needed and/or advisable to respond to interested parties; *(iii)* manages communications with the dialogue participants, acting – within the scope of its responsibilities – as spokesperson for the Chair and the Chief Executive Officer, and defines the content of the communications together with them; *(iv)* proposes, coordinates, and organizes initiatives aimed at establishing or fostering dialogue with the relevant parties; and *(v)* prepares the documentation required for reporting to the Board of Directors.

The subjects of dialogue with shareholders, institutional investors, and other stakeholders – particularly in connection with or on the occasion of the Company's Shareholders' Meetings, as well as in so-called extra-meeting interactions – include matters falling within the remit of the Board of Directors, notably and in compliance with confidentiality principles and in balanced alignment with the Company's interest: corporate strategies, business outlook and financial performance, corporate governance, remuneration policies, sustainability and environmental topics, as well as the internal control and risk management system.

Tessellis S.p.A. communicates and engages on an ongoing basis with its shareholder base through various tools and channels.

Information is made available in a timely and continuous manner on the Company's website (www.tessellis.it) to ensure that relevant information is accessible to institutional investors, financial analysts, and the general body of shareholders. Documentation is freely accessible in both Italian and English and includes: *(i)* under the "Press Releases" section, all market announcements issued by the Company; *(ii)* under the "Documents" section, the Company's periodic financial reports approved by the relevant corporate bodies (separate and consolidated financial statements; half-year report; non-financial and sustainability statement), as well as the Articles of Association, disclosures related to internal dealing, the corporate governance report, the remuneration report, and any other document required to be published by applicable regulations from time to time; and *(iii)* under the "Governance" section, profiles of the main management and control bodies, along with documentation prepared for Shareholders' Meetings.

Tessellis is committed to systematically ensuring the accuracy, completeness, consistency, and timely updating of the financial content published on its website. The Company may also be contacted via a dedicated email address: ir@tiscali.com.

The proactive and reactive engagement process with shareholders and institutional investors may include, during the financial year: *(i)* the organization of meetings and conference calls – either group sessions or one-to-one – with analysts/institutional investors regarding the Company's performance and results; *(ii)* distribution to the mailing list of analysts/institutional investors of "save the date" notifications for the half-yearly conference calls, major press releases, and the half-year presentation; and *(iii)* participation in roadshows and conferences (typically sector-specific), either physical or virtual, with one-to-one or group meetings with shareholders/institutional investors.

The Shareholders' Meeting also represents an institutional and privileged moment of engagement with shareholders. To this end, Tessellis S.p.A. undertakes to provide shareholders, in a timely manner, with all the information required by applicable laws and regulations, offers the possibility to follow the Meeting proceedings via live streaming, and allows shareholders with voting rights to ask questions on the items on the agenda (also prior to the Meeting).

The Directors, statutory auditors, and top management of Tessellis and its subsidiaries are bound by confidentiality obligations regarding the documents and information acquired in the course of their duties. Any interaction by such individuals with the press and other mass media, as well as with financial analysts and institutional investors, involving confidential documents and information regarding Tessellis or the Tessellis Group may only take place through the Investor Relations function, with the exception of interviews and statements made by executive directors.

Company managers, as well as all employees and collaborators, are required to maintain the confidentiality of any price-sensitive documents and information acquired in the course of their duties and may not disclose them to others unless for official or professional reasons, unless such documents or information have already been made public in accordance with prescribed procedures. These individuals are prohibited from granting interviews to the media or making public statements that include information on material facts qualifying as “inside information” under Article 7 of Regulation (EU) No. 596 of 16 April 2014 on market abuse (hereinafter also referred to as “MAR”), unless such information has already been included in press releases or publicly disclosed documents, or has been expressly authorized by the Investor Relations function.

In compliance with paragraph 2 of Article 114 of the TUF, the Company has established procedures for corporate functions to notify the Corporate & Legal Affairs department of any events considered price-sensitive.

Pursuant to Article 18 of the MAR, concerning the maintenance of the list of persons who have access to inside information, the Company has established, within the Corporate & Legal Affairs function, a register of individuals who, by virtue of their professional activity or their role within the organization, have access to such information. In accordance with the aforementioned regulation, the register – maintained in electronic form – include: the identity of each individual with access to inside information, the reason for their inclusion in the list, the date on which they were entered into the register, and the date on which their information was last updated.

The Board of Directors, at its meeting held on 28 April 2017, approved the procedures for maintaining the list of persons with access to inside information and the internal procedure for public disclosure of inside information, which were subsequently updated at the Board meetings held on 27 April 2020 and 5 April 2022. These procedures are available on the Company’s website, www.tessellis.it, under the “Documents” section.

5.15 Shareholders’ Meeting

The Company encourages and facilitates Shareholders’ participation in Shareholders’ Meetings by providing, in compliance with regulations on price-sensitive disclosures, the information requested by Shareholders regarding the Company.

To facilitate communication and participation by its Shareholders, as well as to simplify access to documentation that must, by law, be made available at the Company’s registered office in connection with Shareholders’ Meetings, the Company has created a dedicated section entitled “Governance/Shareholders’ Meeting” on its website (www.tessellis.it), where such documentation can be accessed in electronic format.

The Shareholders’ Meeting has adopted its own Rules of Procedure, the latest version of which, dated 29 April 2011, is available on the Company’s website in the “Documents” section.

The Rules of Procedure were adopted with the aim of ensuring orderly and effective conduct of meetings, clarifying the rights and duties of all participants, and establishing clear and consistent rules without in any way limiting or impairing the right of each shareholder to express opinions and request clarifications on the items on the agenda. The Board of Directors believes that minority shareholders' rights are respected during the adoption of resolutions by the Meeting, since the current Articles of Association do not provide for any majority thresholds other than those set forth by law.

Pursuant to Article 2370 of the Italian Civil Code and Article 8 (Participation in Shareholders' Meetings) of the Company's Articles of Association in force at the date of this Report, Shareholders may attend the Meeting provided that the Company has received the notice from the authorized intermediary certifying their entitlement to the shares as of the so-called "record date." Those entitled to attend the Meeting may be represented, in accordance with the law, by proxy granted in writing or electronically, where permitted by specific regulatory provisions and under the terms indicated therein. The Company does not allow the use of a proxyholder to whom voting rights holders may grant proxy authorization. The Chairman of the Meeting is responsible for verifying the right to attend and the validity of the proxies. Resolutions passed by the Meeting in compliance with the law and the Articles of Association are binding on all Shareholders, including dissenters.

Furthermore, in light of the most recent legislative amendments to the Consolidated Law on Finance introduced by Law No. 21 of 5 March 2024, the Company will submit to the upcoming Shareholders' Meeting a proposal to amend the current Articles of Association in order to allow participation in meetings and the exercise of voting rights also exclusively through the designated proxy representative, in accordance with the applicable regulations.

Resolutions of both ordinary and extraordinary meetings are valid if adopted with the quorums and majorities provided by law.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman (if appointed), or otherwise by a person designated by the Meeting. The Meeting appoints a secretary, who may be a non-shareholder, and, if deemed appropriate, also appoints two scrutineers from among the Shareholders and Statutory Auditors. The resolutions of the Meeting are recorded in minutes signed by the Chairman, the secretary, and, if applicable, the scrutineers. Where required by law or whenever deemed appropriate, the Chairman shall have the minutes drawn up by a Notary.

At Shareholders' Meetings, the Board of Directors, through the Chief Executive Officer, has reported on the activities carried out and planned, and has worked to ensure that Shareholders are provided with sufficient information to make informed decisions on matters within the Meeting's remit.

5.16 Changes Since the End of the Reporting Period

With regard to this Section, please refer to the information provided in Paragraph 5.4 (Role of the Chairman of the Board of Directors).

5.17 Considerations on the Letter from the Chair of the Corporate Governance Committee

The letter from the Chair of the Corporate Governance Committee was brought to the attention of all Directors and Statutory Auditors. The 2025 recommendations concern issues that have already been addressed, where applicable, by the Board of Directors and the internal Board committees.

APPENDIX – CORPORATE GOVERNANCE TABLES

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE AS AT THE DATE OF THIS REPORT

SHARE CAPITAL STRUCTURE					
	Number of shares	**Number of voting rights**	**Listed on Euronext Milan**	**Not listed**	**Rights and obligations**
Ordinary shares (specifying whether increased voting rights are envisaged)	300,381,068	300,381,068	271,610,004 (ISIN IT0005496473)	28,771,064 (ISIN IT0005628 661)	
Preferred shares					
Multiple-vote shares					
Other categories of shares with voting rights					
Savings shares					
Convertible savings shares					
Other categories of shares without voting rights					

Other					

OTHER FINANCIAL INSTRUMENTS (granting the right to subscribe for newly issued shares)					
	Not listed	No. of instruments outstanding	Category of shares for conversion/exercise	No. of shares for conversion/exercise	
Convertible bond	Tiscali Conv 2024	10			
Warrant					

MAJOR SHAREHOLDINGS IN THE SHARE CAPITAL			
Declarant	**Direct shareholder**	**% of ordinary share capital**	**% of voting share capital**
ShellNet S.p.A.	ShellNet S.p.A.	56,50%	56,50%

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2024

Name and Surname	Year of Birth	Position	Date of First Appointment	Executive – Non-Executive – Independent	In Office Until	In Office Since (*)	Other Positions (***)	Attendance BoD	Control and Risk (**)	Appointment and Remuneration (**)	Related Party Transaction (**)
Davide Rota	**1968**	**CEO**	**16 May 2022**	**Executive**	**Approval of the financial statements as at 31 December 2024**	**16 May 2022**	**-**	**7/7**			
Andrew Theodore Holt	**1982**	**D**	12 June 2023	**Non-Executive**	**Approval of the financial statements as at 31 December 2024**	**12 June 2023**	**-**	**7/7**			
Jeffrey Robert Libshutz	**1973**	**D**	12 June 2023	**Non-Executive and Independent pursuant to TUF**	**Approval of the financial statements as at 31 December 2024**	**12 June 2023**	**-**	**6/7**			
Maurizia Squinzi	**1950**	**I.D.**	16 May 2022	**Non-Executive and Independent pursuant to TUF**	**Approval of the financial statements as at 31 December 2024**	16 May 2022	**2**	**7/7**	P	M	P
Serena Maria	**1969**	**I.D.**	16 May 2022	**Non-Executive**	**Approval of the**	16 May 2022	**1**	**6/7**	M	P	M

Name and Surname	Year of Birth	Position	Date of First Appointment	Executive – Non-Executive – Independent	In Office Until	In Office Since (*)	Other Positions (***)	Attendance BoD	Control and Risk (**)	Appointment and Remuneration (**)	Related Party Transaction (**)
Torielli				**and Independent pursuant to TUF**	**financial statements as at 31 December 2024**						
Sara Testino	**1978**	**I.D.**	16 May 2022	**Non-Executive and Independent pursuant to TUF**	**Approval of the financial statements as at 31 December 2024**	**16 May 2022**	2	**5/7**	M	M	M
Nickolas Daraviras	**1973**	**D**	17 June 2023	**Non-Executive**	**Approval of the financial statements as at 31 December 2024**	**17 June 2023**	1	**4/4**			
Directors who left office during financial year 2024											
							-				
Renato Soru	**1957**	C	16 May 2022	**Non-Executive**	**21 February 2024 Resignation**	27 June 2019	**-**	**1/1**			
All directors (with the exception of director Nickolas Daraviras, appointed by the Shareholders' Meeting of 17 June 2024) were appointed on the basis of the sole list jointly submitted by Renato Soru and Amsicora S.r.l. – who, at the date of submission of the list, held shares representing 4.77% and 8.45% of Tessellis's share capital, respectively – as well as Linkem Retail S.r.l., a wholly owned subsidiary of Linkem S.p.A. (now ShellNet S.p.A.), acting as the beneficiary company of the retail business unit.											
Required quorum for the submission of slates by minority shareholders for the election of one or more members: 2.5%											

(*) The office may not have been held continuously since the date of first appointment.
(**) This column indicates the directors' attendance at Committee meetings and their role within the Committee: "C" (Chair); "M" (Member).
(***) Positions held as director or statutory auditor in other companies listed on regulated markets (including foreign ones), in financial, banking, insurance companies, or companies of significant size.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AS AT THE END OF THE 2024 FINANCIAL YEAR

Name and Surname	Year of Birth	Position	Date of Appointment	First Appointment (*)	In Office Until	List	Independence Code	Attendance BoSA	Other Positions
Riccardo Francesco Rodolfo Zingales	1960	Chairman	17 June 2024	24 June 2021	Approval of the financial statements as at 31 December 2026	ShellNet S.p.A.	Yes	[…]	[…]
Rita Casu	1963	Statutory Auditor	17 June 2024	30 November 1998	Approval of the financial statements as at 31 December 2026	ShellNet S.p.A.	Yes	[…]	[…]
Antonio Zecca	1975	Statutory Auditor	17 June 2024	10 January 2023	Approval of the financial statements as at 31 December 2026	ShellNet S.p.A.	Yes	[…]	[…]
Guido Sazbon	1968	Alternate Auditor	17 June 2024	17 June 2024	Approval of the financial statements as at 31 December 2026	ShellNet S.p.A.	Yes	-	-
Stefania Bettoni	1969	Alternate Auditor	17 June 2024	17 June 2024	Approval of the financial statements as at 31 December 2026	ShellNet S.p.A.	Yes	-	-
Statutory Auditors terminated during the financial year 2024									

Name and Surname	Year of Birth	Position	Date of Appointment	First Appointment (*)	In Office Until	List	Independence Code	Attendance BoSA	Other Positions
Riccardo Francesco Rodolfo Zingales	1960	Chairman	24 June 2021	24 June 2021	Approval of the financial statements as at 31 December 2023	Soru / Amsicora	Yes	[…]	-
Rita Casu	1963	Statutory Auditor	24 June 2021	30 November 1998	Approval of the financial statements as at 31 December 2023	Soru / Amsicora	Yes	[…]	-
Andrea Borghini	1972	Statutory Auditor	10 January 2023	16 May 2022	Approval of the financial statements as at 31 December 2023	Soru / Amsicora	Yes	[…]	-
Lara Cappellotto	1973	Alternate Auditor	24 June 2021	24 June 2021	Approval of the financial statements as at 31 December 2023	Soru / Amsicora	Yes	-	-
Antonio Zecca	1975	Alternate Auditor	10 January 2023	10 January 2023	Approval of the financial statements as at 31 December 2023	Soru / Amsicora	Yes	-	-
Required quorum for the submission of lists by minorities for the election of one or more members: 2.5%.									

(*) The office may not have been held continuously since the date of first appointment.

6.1 Income Statement

Consolidated Income Statement	Notes	2024	of which related parties	2023	of which related parties
(EUR 000)					
Revenues	*1*	216,991	647	231,220	159
Other income	*2*	2,820		2,697	
Purchases of materials and external services	*3*	155,424	29,716	156,483	56,961
Personnel costs	*4*	35,127	1,147	37,046	1,206
Other operating expenses (income)	*3*	215		105	
Impairment of trade receivables	*5*	3,094		5,587	
Restructuring costs and other provisions	*6*	1,080		3,117	
Amortisation	*7*	70,211		81,569	
Impairment of fixed assets	*8*	2,719		4,751	
Operating result		**(48,059)**		**(54,741)**	
Result from equity-accounted investments		(381)		(396)	
Financial income	*9*	28		138	
Financial expenses	*9*	10,192	1,667	7,063	185
Result before taxes		**(58,604)**		**(62,062)**	
Income taxes	*10*	(675)		142	
Net result from continuing operations		**(57,929)**		**(62,204)**	
Result from discontinued operations and/or assets held for sale		0		0	
Net result for the year	*11*	**(57,929)**		**(62,204)**	
Attributable to:					
– Profit (loss) attributable to the Parent Company		**(57,979)**		**(62,373)**	
– Profit (loss) attributable to non-controlling interests	*11*	**49**		**170**	
Earnings (Loss) per share					
Earnings per share (in Euro units) from continuing and discontinued operations:					
- Basic		(0.239)		(0.306)	
- Diluted		(0.239)		(0.306)	
Earnings per share (in Euro units) from continuing operations:					
- Basic		(0.239)		(0.306)	
- Diluted		(0.239)		(0.306)	

6.2 Statement of Comprehensive Income

Comprehensive Income Statement	**2024**	**2023**
(Thousands of Euros) **Result for the period**	**(57,929)**	**(62,204)**
Other elements for the comprehensive Income Statement:		
Other elements of the comprehensive income statement that later will be reclassified in the profit/(loss) for the fiscal year	-	-
Other elements of the comprehensive income statement that later will not be reclassified in the profit/(loss) for the fiscal year	102	(229)
(Loss)/profit from revaluation on plans with defined benefits	102	(229)
Total of other elements for the comprehensive Income Statement:	**102**	**(229)**
Total result of the comprehensive Income Statement	**(57,827)**	**(62,433)**
To be attributed to:		
Shareholders of the Parent Company	**(57,876)**	**(62,603)**
Minority Shareholders	**49**	**170**
Total	**(57,827)**	**(62,433)**

6.3 Statement of Financial Position

Financial and Equity Position	Notes	31 December 2024	of which related parties	31 December 2023	of which related parties
(EUR 000)					
Non-current assets					
Goodwill	*13*	56,674		48,292	
Intangible assets	*14*	97,090		107,632	
Right-of-use assets from lease contracts	*15*	13,254		10,159	
Customer acquisition costs	*16*	13,310		18,354	
Property, plant and equipment	*17*	44,207		55,378	
Investments accounted for using the equity method	*18*	5,662		5,597	
Other financial assets	*19*	2,537		1,911	
Deferred tax assets	*20*	14,417		16,558	
		247,151	**-**	**263,881**	**-**
Current Assets					
Inventories	*21*	6,213		8,297	
Trade receivables	*22*	22,527	57	15,070	743
Tax receivables	*23*	293		123	
Other current receivables and assets	*24*	8,173	25	8,257	11
Cash and Cash Equivalents	*25*	6,376		7,711	
		43,582		**39,458**	
Total Assets		**290,733**		**303,339**	
Equity and reserves					
Share Capital		139,500		208,993	
Other Reserves		(95,847)		(122,218)	
Profit for the year attributable to the Group		(57,979)		(62,373)	
Equity attributable to the Group	***26***	**(14,326)**		**24,402**	
Non-controlling interests		**1,549**		**959**	
Equity attributable to non-controlling interests	***27***	**1,549**		**959**	
Total Equity		**(12,777)**		**25,361**	
Non-Current Liabilities					
Bank borrowings and other financial liabilities	*28*	23,677	15,421	61,003	4,228
Lease liabilities	*28*	11,161		8,292	
Other non-current liabilities	*29*	12,437		15,956	3,308
Pension and post-employment benefit obligations	*30*	8,062		7,839	
Provisions for risks and charges	*31*	7,034		6,021	

Deferred tax liabilities	*32*	14,417		16,558	
		76,788		**115,669**	
Current Liabilities					
Bond Loan	*28*	1,000		-	
Bank and other financial institutions borrowings	*28*	64,472	41	20,241	2,853
Lease liabilities	*28*	4,643		4,144	
Trade payables	*33*	117,925	42,049	94,372	18,569
Tax payables	*34*	290		128	
Other current liabilities	*35*	38,392	3,278	43,424	3,347
		226,722		**162,310**	
Total Equity and Liabilities		**290,733**		**303,340**	

6.4 Statement of Cash Flows

Statement of Cash Flows	Notes	2024	of which related parties	2023	of which related parties
(EUR 000)					
OPERATING ACTIVITIES					
Result from continuing operations		**(57,929)**	**(29,155)**	**(62,204)**	**(58,153)**
Adjustments for					
Depreciation and amortisation	7	70,228		81,569	
Income from allocation of Tax Credits – "Bonus Sud" and "Industry 4.0"	2	(1,985)		(1,050)	
Provision to allowance for doubtful accounts	5	3,094		5,587	
Asset impairments	8	2,719		4,750	
Release of deferred tax assets	23	(737)		-	
Income taxes	10	62		142	
Change in provisions for risks	6	(63)		554	
Write-off of payables to suppliers / receivables from customers / other receivables and payables	3 - 2	2,009		(3,559)	
Other changes	6 - 18	845		126	
Provision to employee severance indemnity (TFR)	4	2,151		2,633	
Use of Fastweb vouchers	3	-		3,845	
Financial income/expenses	9	10,164	**1,666**	6,926	
Cash flows from operating activities before changes in working capital		***30,558***		***39,319***	
Changes in					
Trade receivables	22	(6,600)	**647**	(5,976)	(53)
Inventory	21	1,288		18,267	
Trade payables	33	35,483	**29,337**	19,279	3,112
Long-term trade payables	29	6,625		(17,452)	
Provisions for risks and charges (net change)	31	(50)		(744)	
Employee severance indemnity (TFR) fund (net change)	30	(627)		(723)	
Other liabilities	35	(7,488)	**14**	(9,597)	(4,939)
Other assets	24	2,715	**11**	(121)	9
Changes in working capital		**31,346**		**2,933**	
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**61,904**		**42,252**	
INVESTING ACTIVITIES					
Change in other financial assets	18	(582)		(39)	
Purchases of Property, Plant and Equipment	17	(9,675)	**(4,091)**	(16,329)	(8,932)
Purchases of Right-of-use assets	15	(7,465)		(1,100)	
Purchases of customer acquisition costs	16	(7,204)		(12,115)	
Purchases of Intangible Assets	14	(19,120)		(21,146)	
– of which: through voucher use (non-cash)	*14-17*	-		155	
– of which: via discounting of payables – capex	*14-17*	*(204)*		(1,856)	
Consideration for purchase/sale of equity investments		-		-	
Net consideration for acquisitions of investments		(3,893)		-	
Change in payables for fixed assets	29	(17,050)		18,732	
NET CASH FLOW GENERATED (USED) IN INVESTING ACTIVITIES		**(65,193)**	**(4,091)**	**(33,698)**	**(8,932)**
FINANCING ACTIVITIES					

Change in payables to banks and other lenders	28	(12,527)		(13,016)	(2,318)
of which:					
– Repayment of principal and interest on Senior Debt		*(15,264)*		(8,723)	
– Increase/(Decrease) in overdraft facilities		*2,737*		(4,293)	*(2,318)*
– Valuation of 3P Italia put option		-		-	
Repayment/Arrangement of lease liabilities	28	1,963		(3,979)	
Exchange rate effect	9	(1)		(14)	
OCI reserve	26	-		-	
Movements in shareholders' equity	26	11,416		7,828	
NET CASH FLOW GENERATED (USED) IN FINANCING ACTIVITIES		**851**		**(9,181)**	
NET CASH FLOW GENERATED (USED) DURING THE PERIOD		**(2,438)**	**(1,571)**	**(627)**	**(71,273)**
NET CASH FLOW GENERATED (USED) BY DISCONTINUED OPERATIONS		**-**		**-**	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**7,711**		**8,265**	
CASH AND CASH EQUIVALENTS FROM CHANGES IN THE SCOPE OF CONSOLIDATION		**1,103**		**73**	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**6,376**	**(1,571)**	**7,711**	**(71,273)**

6.5 Statement of Changes in Equity

(EUR 000)	Share Capital	Legal Reserve	Employee Benefit Reserves	Other Reserves – Charges | Share Capital Increase Contributions (AUCAP) Tessellis S.p.A.	Accumulated Losses and Other Reserves	Equity Attributable to the Group	Non-controlling Interests	Total
1 January 2024	**208,993**	**2,011**	**43**	**(1,740)**	**(184,906)**	**24,402**	**959**	**25,361**
Bond Conversion	12,500					**12,500**		**12,500**
Share Capital Increase	7,000					**7,000**		
Voluntary Reduction of Tessellis Share Capital	(88,993)				88,993			
Aetherna – Increase in Minority Shareholder Capital					23	**23**		
Aetherna – Increase in Non-controlling Interests Due to Capital Increase (AUCAP)					(322)	**(322)**		
Go Internet – Non-controlling Interests (Excluding Net Result)					(218)	**(218)**		
Change in Put Option Aetherna and 3P Italia					(192)	**(192)**		**(192)**
Reclassification from Other Reserves to Legal Reserve		(1,884)			1,884			
Effects of Go Internet Group Acquisition, Net of OPA Ancillary Charges					359	**359**		**359**
Total Comprehensive Income			305	(203)	(57,978)	**(57,876)**	49	**(57,827)**
31 December 2024	**139,500**	**127**	**348**	**(1,943)**	**(152,357)**	**(14,326)**	**1.549**	**(12,777)**

(EUR 000)	Share Capital	Legal Reserve	Employee Benefit Reserves	Accumulated Losses and Other Reserves	Equitable Attributable to Owners of the Parent Company	Non-Controlling Interest	Total
1 January 2023	**185,514**	**2,011**	**272**	**(122,669)**	**65,128**	**1,013**	**66,141**
Bond Conversion	4,000				**4,000**		**4,000**
Share Capital Increase	19,479				**19,479**		**19,479**
Ancillary Costs Related to Capital Increase				(211)	**(211)**		**(211)**
Liquidation of Media PA				(11)	**(11)**		**(11)**
Change in Put Option – 3P Italia & Aetherna				(320)	**(320)**		**(320)**
Effects of First-Time Consolidation of Aetherna				(1,281)	**(1,281)**		**(1,281)**
Step Acquisition Valuation (Aetherna)				(3)	**(3)**		**(3)**
Reclassification of Non-controlling Interests – Aetherna				223	**223**	(223)	
Effects of First-Time Consolidation of Aetherna				(1,061)	**(1,061)**	(223)	**(1,284)**
Comprehensive Income for the Period			(229)	(62,374)	**(62,603)**	170	**(62,433)**
31 December 2023	**208,993**	**2,011**	**43**	**(186,645)**	**24,402**	**959**	**25,361**

6.6 Explanatory Notes

The Financial Statements are prepared using the Euro as the functional currency, as this is the currency in which most of the Group's operations are conducted. All values are rounded to the nearest thousand Euro, unless otherwise stated. Foreign operations are included in the consolidated financial statements in accordance with the principles described in the following notes.

In preparing these Financial Statements, the Directors have assumed the going concern assumption to be applicable, as further explained in paragraph 6.7 below, and have therefore prepared the financial statements using the principles and criteria applicable to going concern entities.

6.7 Assessment of Going Concern

Facts and Uncertainties Regarding Going Concern

Operating, Income, Equity and Financial Performance of the Group

Tessellis Group closed the 2024 financial year with a consolidated net loss of EUR 58 million, in a context of significant capital imbalance and consequent financial distress.

In particular, in terms of equity, the Group reported a consolidated negative net equity of approximately EUR 13 million as of 31 December 2024, down from a positive EUR 25 million as of 31 December 2023. This deterioration is mainly due to the loss for the period, partially offset by capital increases carried out during the year. The net equity of the parent company, Tessellis S.p.A., amounted to EUR 43.7 million as of 31 December 2024 (EUR 126.3 million as of 31 December 2023). The decrease compared to the previous year is primarily attributable to the write-down of Tessellis' investment in Tiscali Italia for approximately EUR 99 million. As of that date, the Company falls within the scope of Article 2446 of the Italian Civil Code. The Shareholders' Meeting convened to approve the financial statements as of 31 December 2024 will also resolve on the capital reduction to cover losses, based on the financial situation as of that same date.

As of 31 December 2024, the Group also recorded gross financial debt of EUR 105 million (EUR 94 million as of 31 December 2023), including a shareholder loan of EUR 15 million, subordinated to the Senior Loan. Gross debt increased by approximately EUR 11 million compared to the previous year, mainly due to the aforementioned shareholder loan and the debt arising from the consolidation of the Go Internet group, acquired during the year. In 2024, the Group repaid approximately EUR 14 million plus interest related to the Senior Loan, which is currently under renegotiation, as further detailed below.

In terms of trade exposure, current liabilities (EUR 156.6 million) exceed current (non-financial) assets (EUR 43.6 million) by EUR 113 million, up from EUR 98.5 million as of 31 December 2023. Current liabilities include overdue net trade payables (net of agreed supplier payment plans, receivables and disputes with suppliers) of EUR 15.6 million (improved from EUR 16 million as of 31 December 2023), overdue tax liabilities of approximately EUR 7 million (EUR 2.6 million as of 31 December 2023), and overdue employee-related social security liabilities of EUR 0.1 million (unchanged from 31 December 2023). Finally, it is worth noting that current liabilities include approximately EUR 35 million owed to the shareholder ShellNet, which has committed not to demand payment of its receivables for 12 months following the approval of these financial statements.

From an income perspective, in 2024 the Group generated revenues (including other income) of EUR 219.8 million, with a negative operating result of EUR 48.1 million and a net loss of EUR 57.9 million. Compared to the previous year, these results reflect a revenue decline of approximately EUR 14.1 million, despite an improvement of EUR 6.6 million in operating result and EUR 4.3 million in net result.

During 2024, Tessellis Group operated in line with the 2024–2027 Industrial Plan (hereinafter also referred to as the “2024-2027 Plan”), approved by the Board of Directors on 7 May 2024. In executing this Plan, the Directors highlight the following key actions taken to pursue long-term objectives:

- On 31 May 2024, the Group finalised the acquisition of the Go Internet Group through a capital increase and full public tender offer, resulting in Tiscali Italia acquiring 97.23% of Go Internet’s share capital. The acquisition – particularly of the subsidiary XStream – is aimed at expanding the service portfolio, sales network, and B2B customer base, accelerating the Group’s repositioning towards enterprise services.
- Continued commercial focus on retail telecommunications services with a better balance between initial investment and generated margins, leading to an increase in mobile customers from 328,000 as of 31 December 2023 to 351,000 as of 31 December 2024 (+7%). Conversely, fixed-line customer base (FTTx and FWA) declined from 694,000 to 598,000 over the same period due to customer base optimisation and credit risk efficiency measures.
- Strengthened relationships with financial institutions, including repayment of around EUR 14 million plus interest on the Senior Loan. Gross financial debt rose from EUR 94 million (as of 31 December 2023) to EUR 105 million (as of 31 December 2024), incorporating both the consolidation of Go Internet and a EUR 15 million shareholder loan granted in October 2024 by ShellNet S.p.A..
- Amendments to the terms of the Nice & Green convertible bond (POC 2023), including changes to usage conditions and maturity, allowing the Company to draw down approximately EUR 2 million per month through to 31 December 2026. From July 2024 to the date of this report, the Company drew down 175 bonds for a total of EUR 17.5 million (EUR 17.1 million converted into capital).
- On 30 September 2024, the Company obtained the “Grant Decree” from the Ministry of Enterprises and Made in Italy (MIMIT) for financial aid under the Ministry’s “Authorisation Decision” in support of the Villanova Project. For further details, please refer to Paragraph “Main activities carried out and results achieved during 2024”. Furthermore, in April 2025, a non-binding agreement was signed with Expert.ai for a partnership that led to the establishment of a new company, Villanova.ai srl, on 21 May 2025. The project will be implemented based on a joint plan with Expert.ai as the main financier, significantly reducing the Group’s financial requirements for the project.

Lastly, as of 31 March 2025, the Group’s net financial debt amounted to EUR 86.2 million, improving by EUR 11.5 million from 31 December 2024, mainly due to a EUR 5.7 million Senior Loan instalment paid in March 2025, in addition to interest.

Revision of the 2025–2028 Business Plan

In the context described above, on 27 May 2025, the Board of Directors approved the new 2025–2028 Business Plan (hereinafter also referred to as the "Business Plan" or "2025-2028 Plan"), which confirms the strategic guidelines already included in the previous plan:

- Focus on consolidating and enhancing the value of the existing fixed and mobile customer base, also through technological migration towards higher-performing service profiles with lower churn rates;
- Increase in customer profitability through bundled service offerings and the development of adjacent market solutions;
- Development of business services, which ensure higher profitability, lower churn and default rates, and faster return on investment compared to the consumer segment;
- Revamp of the media department, with the goal of enhancing the contact portfolio through advertising sales, as well as strengthening the "email" asset, which includes over 1 million active accounts;
- Operational cost optimisation, through decommissioning of obsolete network components and IT systems, as well as targeted strategies to reduce personnel costs (including the implementation of a defensive solidarity contract for non-executive staff, in force as of May 2025).

On this basis, and consistent with the previous plan, the investments outlined in the 2025–2028 Plan require additional financial resources beyond those generated by the Group through its operating cash flow.

Management reiterates that the achievement of the Group's balance sheet, income statement, and financial stability depends, in general, on the successful execution of the Business Plan and the availability of the related financial resources to support the planned investments – including the timely and favourable finalisation of agreements with financial institutions (as detailed below) – and thus on the realisation of the forecasts and assumptions contained therein, particularly regarding market trends, target achievement, and the execution of objectives within a highly competitive economic and business environment.

The Cash Plan (May 2025 – June 2026) and Measures Identified in Support of the Execution of the 2025–2028 Business Plan

In order to fully implement the actions set out in the 2025–2028 Business Plan under the outlined circumstances, the Directors prepared a cash plan covering the period from May 2025 to June 2026, identifying the resources needed to support the Group's financial requirements. Net of the support provided by the shareholder ShellNet (as detailed below), the plan anticipates a total cash requirement of approximately EUR 76 million over the period. This is intended to: *(i)* fulfil all ordinary and current obligations, *(ii)* meet the instalment payments agreed with suppliers and other creditors, *(iii)* reduce overdue trade payables, and *(iv)* fully repay the Senior Loan.

The financial resources already available to the Directors as of the date of this report include:

1. Renewal of support from shareholder ShellNet, continuing the terms previously granted during the approval of the 2023 financial statements, consisting of the deferral of payment deadlines on its receivables, for a total amount of EUR 35 million, for a period of no less than 12 months following the approval of the current financial statements;

2. Estimated cash balance as at 30 April 2025 of approximately EUR 3 million, including available credit lines for invoice advances;
3. The sale of approximately 464,000 IP addresses to majority shareholder ShellNet, to be completed by July. The related agreement was signed on 12 May 2025 and provides for a total net consideration of up to EUR 10 million.

Additional financial resources identified to meet funding requirements – but not yet available to the Directors – include:

1. The possibility of utilising the POC described in previous paragraphs for up to EUR 2 million per month;
2. The willingness of financial institutions to initiate the process for a new senior loan agreement, including a revised amortisation schedule aligned with the financial projections of the 2025–2028 Business Plan;
3. The use of a commercial voucher of up to EUR 2.8 million (excluding VAT), to pay the rental fees for the IPv4 addresses transferred to shareholder ShellNet, covering the first 15 monthly instalments following the transfer of each batch.

Regarding the Senior Loan, given the Group's anticipated difficulty – based on current cash forecasts – in fulfilling some upcoming contractual obligations, it has submitted a request, as it had in the past, for the financial institutions to begin the process for approving a new loan agreement. This would include a revised amortisation schedule starting from the second half of 2026, along with new covenants. The request was prompted by the need to defer the final two instalments of the Senior Loan – currently scheduled for September 2025 and March 2026 – as well as due to certain covenant breaches as of 31 December 2024, which could allow lenders to demand early repayment.

To date, several meetings have already been held between Group management and the technical and commercial departments of the aforementioned financial institutions to identify the actions required to facilitate the institutions' evaluation of the new loan agreement.

On 19 and 23 May 2025, the financial institutions, having found no critical issues at this stage regarding the Group's request, confirmed their commitment to continue the evaluation process in order to present a new financing agreement to their decision-making bodies.

In addition to the above, the Directors also believe they can secure further financial resources – currently not reflected in the cash plan – through the following activities:

In addition to the above, the Directors also believe they can secure further financial resources – currently not reflected in the cash plan – through the following activities:

1. The possibility of monetising certain assets held by the Group that are not essential for the implementation of the 2025-2028 Plan. To this end, discussions are underway concerning the sale of some non-core assets;
2. The potential to access the GID Fund pursuant to Article 37 of Legislative Decree No. 41/2021, for financing of EUR 30 million. This relates to ongoing litigation before the Council of State with the authority responsible for reviewing Tiscali's application, which had decided to deny the benefit. The case is now in its final phase, with a hearing held before the Council of State on 27 May 2025.

Significant Uncertainties Regarding the Actions Identified in Support of the Execution of the 2025-2028 Business Plan

With respect to the identified actions, the Directors highlight the following significant uncertainties, which may give rise to substantial doubt regarding the Group's ability to continue as a going concern:

1. The 2025-2028 Plan presents estimated economic and financial results that may be achieved if management succeeds in implementing all planned actions and if the outcomes of such actions unfold as projected. However, the ability to implement all of the planned initiatives – and, more importantly, the resulting impacts – is not entirely within the Directors' control, as it depends on the evolution of the telecommunications market, which is currently subject to intense competitive pressure. Therefore, the results included in the Plan may not be indicative of the Group's actual future performance;
2. Although, as previously mentioned, the Company deems the execution of a new senior financing agreement to be essential for continuing as a going concern, and has initiated discussions with the lending institutions – which have expressed their willingness to continue the dialogue – no terms have yet been agreed upon for the new financing arrangement. Consequently, it cannot be ruled out that the ongoing negotiations may produce negative outcomes or differ from those envisioned in the 2025-2028 Plan;
3. While the Directors remain confident that the new structure of the 2023 POC, as amended on 7 May 2024, allows the instrument to be used without substantial limitations for an amount of approximately EUR 2 million per month, they note that an especially adverse market environment could nonetheless limit the full utilisation of the facility;
4. The Group's ability to maintain flexibility in the timing of overdue supplier payments in accordance with the forecasted cash flow equilibrium.

Final Assessment by the Board of Directors on the Going Concern Assumption

In this annual report, the Directors, with regard to the existence of the going concern assumption and the application of accounting principles applicable to a going concern, highlight that the Group:

- Generated, in the course of financial year 2024 and before changes in working capital, cash from operating activities of approximately EUR 30.5 million;
- improved its operating result compared to the previous year by approximately EUR 6.6 million, despite a decrease in total revenues of EUR 14.1 million;
- acquired a stake in XStream, a company of the Go Internet Group, in order to pursue business opportunities in the enterprise services segment;
- received, on 15 May 2025, a letter of commitment from its majority shareholder ShellNet S.p.A. to refrain from demanding repayment of its receivables from the Group, amounting to EUR 35 million, for 12 months following the approval of the 2024 financial statements;

- signed an agreement with shareholder ShellNet for the sale, in two tranches of approximately 464,000 IP addresses, for a total net consideration of up to EUR 10 million, and obtained a commercial voucher covering the first 15 monthly lease payments for approximately EUR 2.8 million;
- continued negotiations aimed at finalising a new senior financing agreement, reasonably believing that the evaluation process will be completed, notwithstanding possible developments that may arise during discussions with the lending institutions.

The Directors emphasise that the going concern assumption is based on the achievement of the objectives set out in the 2025-2028 Plan, particularly within the 12-month time horizon, and that, as of today, there remain significant uncertainties related to events or circumstances that may cast substantial doubt on the Group's ability to continue as a going concern. These significant uncertainties, already described above, relate to: *(i)* the achievement of short-term objectives outlined in previous paragraphs and the development of the telecommunications market, which continues to be marked by strong competitive pressure; *(ii)* the finalisation of negotiations with lending institutions for the new senior loan agreement in a timeframe consistent with the Group's going concern needs; *(iii)* market conditions allowing full use of the POC facility; and *(iv)* the Group's ability to maintain flexibility in the timing of payments to overdue suppliers in line with its cash flow forecasts.

That said, after conducting the necessary assessments and evaluating the significant uncertainties in light of the factors described above – taking into account the abovementioned commitment from the majority shareholder, as well as the availability of the Convertible Bond Facility for an amount of EUR 2 million per month – the Directors are nonetheless confident in: *(i)* their ability to implement the Industrial Plan and pursue its objectives, especially over the 12-month period following approval of the financial statements; *(ii)* the successful finalisation of the requests submitted to the lending institutions for the redefinition of existing financial agreements; and *(iii)* the maintenance of an operational management approach capable of meeting payment obligations over the coming twelve months. In light of these considerations, the Board of Directors resolved to adopt the going concern assumption in the preparation of the consolidated financial statements.

This determination is, of course, a subjective judgement, which involved weighing the estimated likelihood of the aforementioned events materialising against the opposite scenario. It should be emphasised that the forward-looking assessment underlying the Board's decision may be contradicted by future developments. Fully aware of the inherent limitations of its determination, the Board of Directors will continue to closely monitor the evolution of the factors considered (as well as any other circumstances that may become relevant), so as to be able to take appropriate action in a timely manner.

6.8 Foreseeable Business Developments

Reference is made to paragraph 4.7.

6.9 Events After the End of the Financial Year

Reference is made to paragraph 4.6.

6.10 Basis of Preparation

The 2024 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter also referred to as "IFRS") issued by the International Accounting Standards Board (hereinafter also referred to as "IASB") and endorsed by the European Union, as well as the provisions issued in implementation of Article 9 of Legislative Decree No. 38/2005. IFRS also refers to all revised International Accounting Standards (hereinafter also referred to as "IAS") and all interpretations of the International Financial Reporting Interpretations Committee (hereinafter also referred to as "IFRIC"), formerly known as the Standing Interpretations Committee (hereinafter also referred to as "SIC").

The preparation of the consolidated financial statements requires Management to make certain estimates and, in specific cases, to apply assumptions in the adoption of accounting principles. The financial statement areas that, under the circumstances, require the use of application assumptions and those most affected by the use of estimates are described in the following note, "Use of Estimates".

The consolidated financial statements are subject to statutory audit by Deloitte & Touche S.p.A.

In accordance with Legislative Decree No. 254 of 30 December 2016, Tessellis S.p.A., as the "parent company," has prepared a consolidated non-financial statement as a separate report included in the same document as the consolidated financial statements, titled "Sustainability Report," which contains the information required by the aforementioned Decree.

On 27 May 2025, the Company also approved the consolidated non-financial statement (hereinafter also referred to as the "2024 Sustainability Report"), which is subject to limited assurance by Deloitte & Touche S.p.A.

<u>Financial Statement Formats</u>

The presentation of the consolidated financial statements as of 31 December 2024 complies with IAS 1 – "Presentation of Financial Statements" and includes the following:

- Statement of Financial Position: In accordance with IFRS, assets and liabilities must be classified either as current or non-current, or alternatively based on their liquidity order. The Group has opted for classification into current and non-current items, highlighting in two separate lines the "Assets held for sale" and "Liabilities held for sale."
- Statement of Comprehensive Income: The Group has opted to use two separate statements:
    - An Income Statement, which includes only revenues and expenses classified by nature;
    - A Statement of Comprehensive Income, which includes income and expenses recognized directly in equity, net of tax effects.

Statement of Cash Flows:

- IAS 7 allows for two different methods of preparing the cash flow statement: the direct method and the indirect method.

- The Group has prepared and presented its Cash Flow Statement using the indirect method, starting from the net result and adjusting for non-cash transactions to reflect cash (or cash equivalents) generated by operations.
- The direct method, by contrast, presents cash receipts and cash payments arising from the operations carried out during the period.

In accordance with CONSOB Resolution No. 15519 of 27 July 2006 concerning financial statement formats, the financial statements include amounts relating to related party transactions, and specific notes have been provided to disclose, where applicable, any significant non-recurring transactions carried out in the ordinary course of business.

All amounts presented in the financial statements and in the accompanying notes, unless otherwise indicated, are expressed in thousands of Euro.

Segment Reporting

Regulation (EC) No. 1358/2007 of 21 November 2007, issued by the Commission of the European Communities, introduced IFRS 8 “Operating Segments” in place of IAS 14 “Segment Reporting.” IFRS 8 governs the disclosure to be provided in the financial statements concerning the operating segments in which the entity preparing the financial statements operates.

An operating segment is defined as a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- For which discrete financial information is available.

Unlike IAS 14, IFRS 8 essentially requires the identification and disclosure of segment results based on the management approach, meaning the methods used internally by management to assess performance and allocate resources across segments.

The Company applies the management approach in defining its segment reporting, in line with the actual operating segments into which the Group’s activities are divided.

As at 31 December 2024, the Company’s operating segments are:

- Access (B2C and B2B connectivity);
- Corporate.

Seasonality of revenues

Tiscali's business is not subject to seasonality to any significant extent.

Consolidation Criteria

The scope of consolidation includes the parent company Tessellis S.p.A. and the companies it controls, meaning those entities over which the Company has the power, directly or indirectly, to determine financial and operational policies or those entities for which it is exposed to, and has rights to, variable returns from its involvement, and has the ability to affect those returns through its power over the entities. In Tessellis' specific case, control coincides with the majority of voting rights exercisable at the ordinary shareholders' meeting of the companies included in the consolidation scope.

Subsidiaries are consolidated from the date on which control is effectively transferred to the Group and are excluded from the scope of consolidation from the date on which control is transferred outside the Group.

In preparing the consolidated financial statements, assets, liabilities, revenues, and expenses of the consolidated companies are included on a line-by-line basis, with the portion of equity and profit or loss attributable to Non-controlling Interests recognised separately in the statement of financial position and income statement. The carrying amount of each investment in subsidiaries is eliminated against the corresponding portion of the subsidiary's equity, including any fair value adjustments at the acquisition date; any resulting positive difference is recognised as goodwill under intangible assets, as further explained below, while any negative difference, after an appropriate remeasurement of the fair value adjustments at the acquisition date ("negative goodwill"), is recognised in the income statement.

All significant intercompany transactions and balances are eliminated in the consolidation process, as are any unrealised profits or losses on intercompany transactions.

The share of equity and profit or loss attributable to Non-controlling Interests is recognised separately from the equity and profit or loss attributable to the owners of the parent, based on their percentage ownership in the Group's net assets.

If the losses attributable to Non-controlling Interests in a consolidated subsidiary exceed their portion of the subsidiary's equity, the excess and any further losses are allocated to the equity attributable to the owners of the parent, unless the Non-controlling Interests have a binding obligation and are able to make additional investments to cover the losses.

Subsequently, if the subsidiary generates profits, such profits are allocated to the equity attributable to the owners of the parent until the share of the Non-controlling Interests' previously absorbed losses is recovered.

Investments in associates and joint ventures are classified as non-current assets in the consolidated financial statements and measured using the equity method, in accordance with IAS 28 ("Investments in Associates and Joint Ventures") and IFRS 11 ("Joint Arrangements"), respectively.

Associates are entities over which the Group has significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Under the equity method, such investments are initially recognised in the statement of financial position at acquisition cost, adjusted for the Group's share of post-acquisition changes in the associate's equity, net of any impairment losses. Any excess of the acquisition cost over the Group's share of the fair value of the associate's identifiable assets, liabilities, and contingent liabilities at the acquisition date is recognised as goodwill. This goodwill is included in the carrying amount of the investment and is subject to impairment testing. Any excess of the Group's share of the fair value of the associate's net identifiable assets over the acquisition cost is recognised in the income statement in the year of acquisition.

The consolidated financial statements include the Group's share of the results of associates and joint ventures from the date significant influence commences until the date it ceases. If the Group's share of losses in an associate exceeds the carrying amount of the investment, the investment is written down to zero and further losses are recognised only to the extent that the Group has a legal or constructive obligation to cover the losses.

Unrealised gains and losses from transactions with associates or joint ventures are eliminated to the extent of the Group's interest in those entities.

Investments in other unlisted companies that are neither joint ventures nor associates, for which the fair value cannot be reliably determined, are measured at cost, adjusted for any impairment losses.

Scope of Consolidation

The Group's Scope of Consolidation includes the financial statements of Tessellis S.p.A. (the Parent Company) and of the companies over which it exercises, directly or indirectly, control, from the date such control is acquired until the date it ceases. The companies fully consolidated are listed in the following table.

The scope of consolidation as at 31 December 2024 is as follows:

Company Name	Registered Office	Interest held by	Figures as at 31 December 2024 (EUR/000)			Direct Shareholding Percentage	Group Shareholding Percentage (*)
			Share Capital	Equity	Net Result		
Tessellis S.p.A.	Italy	Parent Company	139,500	43,666	(101,909)	n.a.	n.a.
Tiscali Italia S.p.A.	Italy	Tessellis S.p.A.	17,783	21,937	(43,939)	100%	100%
Linkem Services S.r.l.	Italy	Tiscali Italia S.p.A.	70	205	(41)	85.00%	85.00%
Veesible S.r.l.	Italy	Tiscali Italia S.p.A.	200	206	(8)	75.00%	75.00%
3PItalia S.p.A.	Italy	Tiscali Italia S.p.A.	2,000	3,014	572	54.70%	54.70%
Aetherna S.r.l.	Italy	Tiscali Italia S.p.A.	30	109	(71)	74.00%	74.00%
Bid Go S.r.l.	Italy	Tiscali Italia S.p.A.	10	(78)		100%	100%
Go Internet S.p.a.	Italy	Bid Go S.r.l.	7,394	2,240	(2,994)	97.23%	97.23%
X Stream S.r.l.	Italy	Go Internet S.p.a.	100	397	287	100.00%	97.23%
Tint Holding Nv	Netherlands	Tessellis S.p.A.	115,519			99.50%	99.50%
Tiscali International Bv	Netherlands	Tint Holding Nv	115,469	(4,066)	(233)	100%	99.50%
Tiscali Financial Services SA	Luxembourg	Tiscali International BV	31	(15)	(4,729)	100%	99.50%

(*) Group participation percentage

The following changes with respect to the scope of consolidation as of 31 December 2024 are noted:

(i) Media PA was excluded from the consolidation scope following its liquidation on 12 January 2024;

(ii) The Go Internet Group (comprising Bid Go S.r.l., Go Internet S.p.A. and XStream S.r.l.) was included in the consolidation scope following the acquisition of control on 31 May 2024. For further details on the acquisition transaction, please refer to paragraph "4.3.1 – Main activities carried out and results achieved in the 2024 financial year."

Equity-Accounted Investments

The Company applies the equity method for the valuation of investments in associates.

As of 31 December 2024, the following companies have been consolidated using the equity method:

- Janna S.c.p.a., in which Tessellis holds a 17% interest and exercises significant influence;
- Connecting Project S.r.l., with a 40% ownership interest;
- Salesmart S.r.l., with a 40% ownership interest.

Other Intangible Assets

Goodwill

In accordance with IFRS 3 (Business Combinations), goodwill is recognised in the financial statements on the acquisition date of control over a business and is determined as the excess of (a) over (b), where (a) represents the consideration paid and (b) the fair value of the net assets acquired.

Goodwill is classified in the statement of financial position as an intangible asset with an indefinite useful life and is tested for impairment at least annually.

Initially recognised goodwill is subsequently reduced only for accumulated impairment losses. In the event of the disposal of control over a previously acquired entity, the gain or loss on disposal includes the corresponding value of goodwill.

Computer Software – Patents – Trademarks – Development Costs

Purchased software licences, trademarks, and patents are capitalised and recorded under intangible assets at the cost incurred for acquisition and amortised on a straight-line basis over their estimated useful life (generally 3-5 years).

Internally generated intangible assets arising from the development costs of operational software under the Group's control and directly related to the delivery of services – particularly those concerning Tiscali's access and network management "technology platforms" – are recognised as assets when:

- The general conditions set out in IAS 38 for capitalising intangible assets are met: *(a)* the asset is identifiable; *(b)* it is probable that the asset will generate future economic benefits; and *(c)* the development costs of the asset can be measured reliably;
- The Group can demonstrate the technical feasibility of completing the intangible asset to make it available for use or sale, its intention to complete and use or sell the asset, the ways in which the asset

will generate probable future economic benefits, the availability of technical, financial or other resources to complete development, and its ability to reliably measure the cost attributable to the asset during development.

During the development phase, the asset is reviewed annually for any impairment losses. After initial recognition, development costs are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation begins when the development is completed and the asset is available for use. The cost is amortised over the period in which the related project is expected to generate revenue for the Group.

Costs associated with ordinary software development and maintenance that do not meet the above criteria, as well as research costs, are fully expensed in the income statement in the period in which they are incurred.

Broadband Service Activation Costs

Customer acquisition and activation costs are amortised on a straight-line basis over a period of 36 months.

Costs for Acquiring New Customers

Incremental costs incurred to acquire new customers are capitalised and amortised on a straight-line basis over a 36-month period. Management periodically verifies whether applying a specific analytical approach – namely, using a useful life based on the churn rate (which exceeds 36 months) and applying derecognition for terminated contracts – would result in materially different economic and financial outcomes. The simplified approach adopted by management yields results that are substantially consistent with, and in any case slightly more conservative than, those obtained through the specific analysis.

IRUs

IRUs are classified under the category “concessions and similar rights” and consist of the costs incurred for the purchase of long-term rights to use the fibre optic network, namely its “transmission capacity”, along with related charges. They are amortised on a straight-line basis over the shorter of the contractually defined term of the concession and the expected period of use of the right. The average contractual concession term generally ranges from 5 to 15 years.

<u>Property, Plant and Equipment</u>

Property, plant, machinery and equipment are recognised at purchase or production cost, including any directly attributable ancillary charges, net of accumulated depreciation and any impairment losses. These tangible assets do not include any revaluations.

Depreciation is calculated on a straight-line basis over the cost of the assets, net of any residual value, where applicable, based on their estimated useful lives. Land, including land appurtenant to buildings, is not depreciated.

Depreciation rates are reviewed annually and adjusted if the current estimated useful life differs from the previous estimate. The effects of such changes are recognised in the income statement on a prospective basis.

The minimum and maximum depreciation rates applied during the 2024 financial year are reported below:

Property	3%
Plant	12%-20%
Equipment	12%-25%

Ordinary maintenance costs are fully expensed in the income statement in the financial year in which they are incurred, whereas capital maintenance costs are attributed to the related assets and depreciated over their remaining useful life.

Gains and losses arising from the sale or disposal of assets are determined as the difference between the sale proceeds and the net book value of the asset and are recognized in the income statement for the period in which they occur.

Leased Assets

As of 1 January 2019, the Tessellis Group has applied IFRS 16 "Leases", endorsed by Regulation No. 2017/1986 issued by the European Commission on 31 October 2017, which replaces IAS 17 and the related interpretations. In particular, IFRS 16 eliminates the classification of leases as either operating or finance leases for companies acting as lessees in their financial reporting.

Accounting under this standard requires:

1. The recognition in the statement of financial position of an asset representing the right-of-use and a financial liability representing the lease obligation, presented as separate line items from other balance sheet components;
2. The recognition in the income statement, under operating costs, of depreciation and any impairment/losses related to the right-of-use asset, and under the financial section, of interest expense accrued on the lease liability;
3. The recognition, in the cash flow statement, of lease payments under financing activities and of notional financial charges – determined by applying the amortized cost method to the lease liability – under operating cash flows.

The Group adopted this standard as of January 1, 2019, making use – as permitted by the standard itself – of certain simplifications allowed by the provisions listed below:

1. the use of a single discount rate for a portfolio of leases with reasonably similar characteristics;
2. exclusion of contracts with a remaining term of less than 12 months;
3. initial direct costs were excluded from the valuation of the right-of-use assets at the transition date;
4. lease contracts related to low-value assets were excluded (i.e., lease assets that do not exceed EUR 5,000 when new). The contracts to which this exemption was applied mainly fall into the following categories: *i)* Computers, phones, and tablets; *ii)* Printers; *iii)* Other electronic devices; *iv)* Office furniture and furnishings;
5. non-lease components were not separated in relation to company cars;
6. lease term was determined using information available at the transition date, particularly with regard to the exercise of extension and early termination options.

Inventories

Inventories refer to video surveillance equipment for B2B services (high-value clients) and to tablets or personal computers provided by Tessellis as part of the UltraInternet Fibra Voucher offering. Inventories are measured using the FIFO (First In, First Out) method.

Impairment

Goodwill and balance sheet assets are tested for impairment annually, or more frequently if there are indications of impairment. The carrying amount of intangible assets with a definite useful life and of property, plant, and equipment is reviewed whenever there is any indication that the asset may have suffered an impairment loss. If such indications exist, the recoverable amount of the asset is estimated in order to determine the potential impairment. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. The recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or a CGU) is estimated to be lower than its carrying amount, the asset is written down to its recoverable amount. The impairment loss is recognised in the income statement under “Impairments”. If an impairment loss recognised in previous years is no longer deemed necessary, the carrying amount of the asset (or CGU) is increased to the new value resulting from the recoverable amount estimate, but not above the net carrying amount the asset would have had if no impairment had been recognised. The reversal of the impairment is recorded in the income statement.

The Company has identified two operating segments for disclosure purposes, in accordance with IFRS 8. However, for the purposes of the impairment test, the “Corporate” segment is tested together with the “Access” segment, as it shares a significant amount of assets with the latter. It should also be noted that the Corporate segment generates mostly intra-group cash flows, which are not significant in amount.

Financial Instruments

Receivables and Loans

The Group's receivables are reported under the items "other non-current financial assets," "trade receivables," "other current receivables and assets," and "other current financial assets." These include security deposits, trade receivables, and other receivables generated in the course of the Group's core operations.

Receivables with a fixed maturity are measured at amortized cost using the effective interest method. When financial assets do not have a fixed maturity, they are measured at acquisition cost. Receivables with a maturity of more than one year, that are interest-free or bear interest below market rates, are discounted using market rates.

Regular assessments are carried out to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the impairment loss is recognized in the income statement for the period.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight and short-term deposits, in the latter case with an expected original maturity of no more than three months.

Payables and financial liabilities

The Group's payables and financial liabilities are reported under the items "bonds," "payables to banks and other lenders," "lease liabilities," "other non-current liabilities," and "trade payables." These include trade payables, payables to others, financial liabilities (including payables for advances received through the assignment of receivables), and finance lease liabilities.

Payables are initially recognized at cost, corresponding to the fair value of the consideration received, net of transaction costs. Subsequently, they are measured at amortized cost using the effective interest method, which takes into account issuance costs and any premium or discount applicable at settlement.

Derivative financial instruments

The Group does not use derivative instruments.

Liabilities for pension benefits and severance pay

Employee benefits are remunerations granted by the company in exchange for the work performed by employees or due to the termination of the employment relationship.

Post-employment benefits are defined on the basis of plans – formal or otherwise – and are classified, depending on their characteristics, as either "defined contribution plans" or "defined benefit plans."

In defined contribution plans, the company's obligation – limited to the payment of contributions to the State or to a separate asset or legally distinct entity (i.e., a fund) – is determined based on the contributions due.

The liability related to defined benefit plans is determined using actuarial assumptions and is recognized on an accrual basis, consistently with the service period required to obtain the benefits.

For defined benefit plans, remeasurements of the net liability – consisting of actuarial gains and losses due to changes in actuarial assumptions or adjustments based on past experience, and returns on plan assets differing from the amount included in net interest – are recognized in the statement of comprehensive income. These remeasurements, recorded in the equity reserve under other comprehensive income, are not subsequently reclassified to the income statement.

Provisions for risks and charges

Provisions for risks and charges, related to potential legal and tax liabilities, are made based on estimates prepared by the Directors, drawing on the assessments provided by the Group's legal and tax advisors, concerning the likely cost that is reasonably expected to be incurred in fulfilling the obligation. If, based on the final outcome of proceedings, the Group is required to settle an obligation in an amount different from what was originally estimated, the resulting effects will be subsequently recognized in the income statement.

Guarantees

The Company recognizes "Guarantees and Commitments" in accordance with IFRS 7 – *Financial Instruments*, paragraph 14, which requires the entity to disclose: a) the carrying amount of financial assets pledged as collateral for liabilities or potential liabilities, including any amounts reclassified under paragraph 3.2.23(a) of IFRS 9, and *b)* the terms and conditions of the collateral arrangement.

Furthermore, paragraph 15 of the same standard specifies that when the entity holds collateral (financial or non-financial assets) which it is entitled to sell or re-pledge in the absence of default by the owner of the collateral, it must disclose: *a)* the fair value of the collateral held, *b)* the fair value of any collateral sold or re-pledged, along with an indication of whether the entity is obliged to return it, and *c)* the terms and conditions associated with the use of the collateral.

Revenue Recognition

Revenue is recognized in accordance with IFRS 15 and to the extent that it is probable that the Group will obtain economic benefits and the amount can be measured reliably. Revenue is presented net of discounts, allowances, and returns.

Service revenue is recognized in profit or loss based on the stage of completion of the service and only when the outcome of the service can be reliably estimated.

Specifically, revenue from Internet connection services and voice services is recognized based on the actual traffic generated as of the reporting date and/or the periodic service fees accrued by the same date.

Revenue from Broadband service activation is recognized on a straight-line basis over a 24-month period. The portions not pertaining to the period are recorded under other current liabilities as deferred income.

Barter revenue, when related to exchanges of similar services, is recognized at the net value of the exchange. When the underlying services differ in nature, the performance values are presented at fair value, unless the fair value cannot be reliably measured.

Government Grants

The Group accounts for public grants related to investments in capital assets by recognizing the benefits under assets. These benefits are recognized in the income statement over periods consistent with the useful life of the subsidized assets and, consequently, with the depreciation of those assets. The portion not yet recognized in the income statement is recorded as a liability under payables.

Financial income and expenses

Interest income and expenses, including those related to bond loans, are recognized using the effective interest rate method.

Research and Advertising Costs

Research and advertising costs are charged directly to the income statement in the period in which they are incurred.

Taxes

Income taxes include all taxes calculated on the taxable income of the Group's companies, taking into account both temporary and permanent differences as required by applicable regulations, and based on the best possible interpretation of corporate events.

Deferred tax liabilities are generally recognized for all taxable temporary differences relating to Group companies and equity investments in associates.

Deferred tax assets, arising from temporary differences and/or from tax losses carried forward, are generally recognized to the extent that it is considered probable that future taxable profits will be available against which those deductible temporary differences and/or tax losses can be utilized.

Earnings per Share

The basic earnings per ordinary share is calculated by dividing the portion of the Group's profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

For the purpose of calculating diluted earnings per ordinary share, the weighted average number of shares outstanding is adjusted assuming the subscription of all potential shares deriving, for example, from the conversion of bonds and the exercise of rights on shares with a dilutive effect, as well as from the potential dilutive effect of the allocation of shares to beneficiaries of stock option plans already vested.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

The following IFRS Accounting Standards, Amendments, and Interpretations were applied for the first time by the Group as of 1 January 2024:

- On 23 January 2020, the IASB issued an amendment entitled ***Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current***, and on 31 October 2022, it issued ***Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants***. These amendments aim to clarify how to classify liabilities as current or non-current. In addition, they enhance the disclosures that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with specific conditions (i.e., covenants). The adoption of these amendments had no impact on the Group's consolidated financial statements.
- On 22 September 2022, the IASB issued 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 in such a way that no gain or loss is recognised in relation to the retained right-of-use asset. The adoption of this amendment had no impact on the Group's consolidated financial statements.
- On 25 May 2023, the IASB issued an amendment entitled ***Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements***. The document requires an entity to provide additional disclosures about reverse factoring arrangements, enabling users of financial statements to assess how such supplier finance arrangements affect the entity's liabilities and cash flows, and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The adoption of these amendments had no impact on the Group's consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION BUT NOT YET MANDATORILY APPLICABLE AND NOT EARLY ADOPTED BY THE GROUP AS OF 31 DECEMBER 2024

As of the reporting date of this document, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the amendments and standards described below. These standards, which are not yet mandatorily applicable, were not early adopted by the Group as of 31 December 2024:

- On 15 August 2023, the IASB issued an amendment titled ***Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability***. The document requires an entity to apply a consistent methodology to assess whether a currency is exchangeable into another and, when it is not, how to determine the exchange rate to be used and the related disclosures to be included in the notes. The amendment will apply from 1 January 2025, with early application permitted. The directors do not expect the adoption of this amendment to have a significant impact on the Group's consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS, AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

As of the reporting date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published the document ***Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7***. The document clarifies certain issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (e.g., green bonds). In particular, the amendments aim to:
    - clarify the classification of financial assets with variable returns linked to environmental, social, and corporate governance (ESG) objectives and the criteria to be used for the SPPI test assessment;
    - determine that the settlement date of liabilities through electronic payment systems is the date on which the liability is considered extinguished. However, an entity is allowed to adopt an accounting policy permitting the derecognition of a financial liability before the transfer of cash on the settlement date, provided specific conditions are met.

With these amendments, the IASB has also introduced additional disclosure requirements, particularly regarding investments in equity instruments designated at FVOCI.

The amendments will apply to financial statements for periods beginning on or after 1 January 2026. The directors do not expect a significant impact on the Group's consolidated financial statements from the adoption of this amendment.

- On 18 July 2024, the IASB issued a document titled ***Annual Improvements Volume 11***. The document includes clarifications, simplifications, corrections, and amendments aimed at improving consistency across several IFRS Accounting Standards. The amended standards are:
    - IFRS 1 *First-time Adoption of International Financial Reporting Standards*;
    - IFRS 7 *Financial Instruments: Disclosures* and its implementation guidance;
    - IFRS 9 *Financial Instruments*;
    - IFRS 10 *Consolidated Financial Statements*;
    - IAS 7 *Statement of Cash Flows*.

The amendments will apply from 1 January 2026, but early application is permitted. The directors do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.

- On 18 December 2024, the IASB issued an amendment titled ***Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7***. The objective of the document is to assist entities in reporting the financial effects of electricity purchase agreements for energy produced from renewable sources (often structured as Power Purchase Agreements). Under such contracts, the amount of electricity generated and purchased may vary depending on uncontrollable factors such as weather conditions. The IASB introduced targeted amendments to IFRS 9 and IFRS 7. The amendments include:

  - a clarification regarding the application of the "own use" exemption to this type of contract;
  - criteria allowing such contracts to qualify for hedge accounting;
  - new disclosure requirements to enable users of financial statements to understand the impact of these contracts on an entity's financial performance and cash flows.

  The amendment will apply from 1 January 2026, with early application permitted. The directors do not expect a significant impact on the Group's consolidated financial statements from the adoption of this amendment.

- On 9 April 2024, the IASB issued a new standard, ***IFRS 18 Presentation and Disclosure in Financial Statements***, which will replace ***IAS 1 Presentation of Financial Statements***. The new standard aims to enhance the presentation of financial statements, with a particular focus on the income statement. Specifically, IFRS 18 requires:
  - the classification of income and expenses into three new categories (operating, investing, and financing sections), in addition to the existing categories for income tax and discontinued operations in the income statement;
  - the presentation of two new subtotals: operating profit and profit before financing and income taxes (i.e., EBIT).

  The new standard also:
  - requires enhanced disclosures on management-defined performance measures;
  - introduces new aggregation and disaggregation criteria for financial information;
  - includes changes to the statement of cash flows, such as requiring the use of operating profit as the starting point for the indirect method and eliminating certain existing classification options (e.g., for interest paid, interest received, dividends paid, and dividends received).

  The new standard will become effective from 1 January 2027, with early application permitted. The Group's directors are currently assessing the potential impact of the adoption of this new standard on the consolidated financial statements.

- On 9 May 2024, the IASB issued a new standard, ***IFRS 19 Subsidiaries without Public Accountability: Disclosures***. This new standard introduces certain disclosure simplifications under the IFRS Accounting Standards for the annual financial statements of a subsidiary that meets the following criteria:
  - it has not issued and is not in the process of issuing equity or debt instruments in a public market;
  - its parent company prepares consolidated financial statements in accordance with IFRS.

  The new standard will be effective from 1 January 2027, with early application permitted. The Group's directors do not expect a significant impact on the consolidated financial statements from the adoption of this standard.

- On 30 January 2014, the IASB issued the standard ***IFRS 14 – Regulatory Deferral Accounts***, which allows only first-time adopters of IFRS to continue recognising amounts related to rate-regulated activities in accordance with their previous accounting frameworks.
  Since the Company/Group is not a first-time adopter, this standard is not applicable.

USE OF ESTIMATES

The preparation of the consolidated financial statements and the related explanatory notes involved the use of estimates and assumptions for the determination of certain assets and liabilities and for the assessment of contingent liabilities. Due to the use of estimates and assumptions, the outcomes of future events may differ from those originally estimated. Therefore, the estimates and assumptions are reviewed on an ongoing basis, and the effects of any changes are recognised in the financial statements.

The use of estimates is particularly significant in relation to the following matters:

1. Estimates related to the purchase price allocation (PPA) of the assets acquired in the Go Internet Group acquisition, carried out as of 31 December 2024 with retroactive effect as of 31 May 2024;
2. Estimates related to items recognised in accordance with IFRS 16;
3. Estimates underlying the assumptions used for impairment testing, as detailed in Note 12 “Impairment Testing”;
4. Estimates related to provisions for risks and charges, particularly those concerning provisions for certain tax credits previously recognised;
5. Estimates related to revenue recognition under IFRS 15. For the Tessellis Group, the estimation process mainly involves the assessment of the existence of multiple performance obligations in certain complex contracts.

6.11 Comments to the Explanatory Notes

Revenues (Note 1)

revenues	**2024**	**2023**
(EUR 000)		
Revenues	216,991	231,220
Total	**216,991**	**231,220**

Revenues for 2024 amounted to EUR 217 million. For a detailed analysis of business performance in 2024, please refer to the Management’s Report.

No ordinary transactions were recorded during the period with any single counterparty accounting for more than 10% of the Group’s total revenues.

It should be noted that revenues were entirely generated from services provided within the Italian territory.

Other Revenues (Note 2)

Other Revenues	2024	2023
(EUR 000)		
Other Revenues	2,820	2,697
Total	**2,820**	**2,697**

Other income, amounting to EUR 2.8 million, is mainly composed of the following items:

- the portion attributable to tax credits related to investments eligible under the “Bonus Sud” and “Industria 4.0” regulations, for a total amount of EUR 2 million, broken down as follows: *(i)* release of the 2024 portion of deferred income related to tax credits, amounting to EUR 1.2 million; *(ii)* reinstatement of tax credits under the Bonus Sud and Industria 4.0 schemes for EUR 0.8 million;
- other operating income of EUR 0.3 million, mainly arising from the write-off of outstanding payables to suppliers from previous periods;
- other income from the write-off of payables to the shareholder ShellNet by the subsidiary Aetherna, amounting to EUR 0.5 million.

Purchases of materials and external services and other operating expenses (Note 3)

Purchases of materials and external services and other operating (income) expenses	2024	2023
(EUR 000)		
Line rental/traffic and interconnection costs	125,918	130,394
Lease and rental costs	4,952	7,230
Costs for web portal services	791	567
Marketing Costs	2,074	3,108
Other services	21,689	15,184
Other operating expenses (income)	215	105
Total	**155,639**	**156,588**

Purchases of materials and services and other operating expenses, totalling EUR 155.6 million, include the following components:

- EUR 125.9 million for line rental/traffic and interconnection costs related to fixed and fixed wireless Broadband and Ultrabroadband services, and Mobile services;
- EUR 4.9 million for third-party asset use costs related to leases and rentals of instrumental assets not falling within the scope of IFRS 16;
- EUR 21.7 million for other services, including maintenance and operation of industrial sites and

administrative offices, rents, consultancy and professional fees, billing costs, postage, travel expenses, and other general costs;

- EUR 2.1 million for marketing costs;
- EUR 0.8 million for portal-related services;
- EUR 0.2 million for other expenses.

The period costs, amounting to EUR 155.6 million, represent 71.7% of revenues, compared to 67.7% in the previous period, mainly due to the higher incidence of other services (10% vs. 6.6%).

Personnel Costs (Note 4)

Personnel Costs	**2024**	**2023**
(EUR 000)		
Wages and salaries	23,088	24,251
Other personnel costs	12,039	12,795
Total	**35,127**	**37,046**

The period costs, amounting to EUR 35.1 million, represent 16.2% of revenues, compared to 16.0% in the previous period.

The table below shows the actual number of FTEs (Full-Time Equivalents) as of 31 December 2024:

Number of employees (FTE) as of 31 December 2024:

	31 December 2024	**31 December 2023**
Executives	36	26
Managers	68	51
Employees	858	813
Workers	13	14
Total	**974**	**904**

The number of average FTEs as of December 31, 2024, is 974. This value includes 871 average FTEs referred to Tiscali Italia Spa, 7 referred to 3P Italia, 6 for Veesible, 13 for Aetherna, 42 for Go Internet, and 6 for XStream.

Impairment of trade receivables (Note 5)

Impairment of trade receivables	**2024**	**2023**
(EUR 000)		
Allowance for doubtful accounts	3,094	5,587
Total	**3,094**	**5,587**

The item allowance for doubtful accounts receivable amounts to EUR 3.1 million and represents 1.4% of revenues, compared to 2.4% in 2023.

Restructuring costs and other provisions (Note 6)

Restructuring costs and other provisions	2024	2023
(EUR 000)		
Restructuring costs and other provisions	1,080	3,117
Total	**1,080**	**3,117**

The item Restructuring costs and other provisions as of 31 December 2024 includes the following components:

- Restructuring charges and employee severance incentives for EUR 0.1 million;
- Release of employee litigation provisions for a positive EUR 0.06 million;
- Write-down of IP addresses for EUR 0.9 million;
- Inventory write-down for EUR 0.2 million.

Amortisation and Depreciation (Note 7)

Amortisation and Depreciation	2024	2023
(EUR 000)		
Amortisation and Depreciation	70,211	81,569
Total	**70,211**	**81,569**

Depreciation and amortization amounted to 70.2 million euros. For more details regarding depreciation of non-current assets, see notes 14-15-16-17.

Write-downs of Fixed Assets (Note 8)

Write-downs of Fixed Assets	2024	2023
(EUR 000)		
Write-downs of Fixed Assets	2,719	4,751
Total	**2,719**	**4,751**

The item as of 31 December 2024 includes the following components:

- Losses on disposals resulting from write-offs and disposals of assets no longer in use, specifically EUR 0.5 million attributable to losses on CPE of Tiscali Italia S.p.A.;
- EUR 2.2 million in asset write-downs related to the subsidiary Go Internet, broken down as follows: EUR 2 million for write-downs of Base Stations and EUR 0.2 million for write-downs of intangible assets.

Financial Income and Financial Expense (Note 9)

The breakdown of the items Financial Income and Financial Expenses in financial year 2024, which were negative by a total of 10.2 million, is detailed below.

Net financial income (expense)	2024	2023
(EUR 000)		
Financial income		
Interest on bank deposits	27	37
Other financial income	1	101
Total	**28**	**138**
Financial expense		
Interest and other charges to banks	4,068	3,758
Other financial expenses	6,124	3,305
Total	**10,192**	**7,063**
Net financial income (expense)	**(10,164)**	**(6,925)**

The item Financial Expenses, amounting to EUR 10.2 million, includes the following components:

- Financial charges related to interest accrued on the loan from Senior Lenders: EUR 3 million
- Interest expenses on finance and operating leases: approximately EUR 0.9 million
- Bank fees: EUR 1.3 million, mainly related to short-term credit lines, particularly SEPA Direct Debit (SDD) advances
- Interest expenses on bank current accounts: EUR 1.1 million
- Discounting charges on trade and financial payables exceeding 12 months: EUR 1.3 million
- Amendment fee paid to Nice & Green in connection with the amendment of the terms of the convertible and converting bond loan POC 2023: EUR 1.5 million
- Interest expenses on the loan from shareholder ShellNet, calculated at a 12% rate starting from 8 October 2024: EUR 0.4 million
- Late payment interest on trade payables, calculated at standard market conditions: EUR 0.4 million
- Other financial expenses: EUR 0.3 million

Income Taxes (Note 10)

Income taxes	2024	2023
(EUR 000)		
Current taxes	62	142
Deferred taxes	(737)	0
Total	**(675)**	**142**

Current taxes refer to IRAP and IRES for the year.

Deferred taxes relate to the release of deferred tax liabilities of the subsidiaries Go Internet and XStream.

With regard to the Group's tax losses carried forward, for which no deferred tax assets were recognised as of 31 December 2024 (except as indicated in relation to the effects of the PPA), it should be noted that the total amount of such losses as of that date is EUR 487.3 million.

This amount includes the tax losses carried forward that were transferred to the parent company under the tax consolidation regime in effect at the time they were incurred.

Minority interest and Earnings (Loss) per share (Note 11)

The result attributable to minority interests, positive for EUR 49 thousand, was determined based on the full consolidation of the subsidiaries Linkem Services S.r.l., 3P Italia S.p.A., Veesible S.r.l., Aetherna S.r.l., GO Internet S.r.l., and X Stream S.r.l., in which the Group holds equity interests of 85%, 54.7%, 75%, 74%, and 97.23%, respectively.

It should be noted that the subsidiaries GO Internet S.r.l. and X Stream S.r.l. have been consolidated starting from 31 May 2024, the date of acquisition of the Go Internet Group.

The earnings per share from continuing operations are negative and amount to EUR 0.239. This figure was calculated by dividing the 2024 loss from continuing operations attributable to the ordinary shareholders of the Parent Company, equal to EUR 60 million, by the weighted average number of ordinary shares outstanding during the year, which was 242,401,514.

Impairment Test (Note 12)

On 27 May 2025, the Company's Board of Directors approved the Updated 2025–2028 Industrial Plan, which incorporates the Group's results as of 31 December 2024 and covers the period 2025–2028.

The impairment test was conducted by comparing the carrying amount of the assets as of 31 December 2024 with their value in use, determined based on the following key elements. This assessment concerned the goodwill recorded in the consolidated financial statements, the value of net invested assets, and the value of the equity investment in Tiscali Italia recorded in the separate financial statements of Tessellis S.p.A.

(i) Definition of Cash-Generating Units

The Group has identified the Cash-Generating Units (CGUs) based on the operating segments disclosed under segment reporting. The impairment test was carried out on the Access CGU (which includes Tiscali Italia S.p.A., other consolidated entities, the holding company, and dormant subsidiaries), as the Access CGU essentially coincides with the consolidated Group as a whole.

(ii) Estimation criteria for the recoverable amount

The value in use of the Cash-Generating Units (CGUs) was determined by discounting the cash flows for the years 2025–2028 as outlined in the 2025-2028 Industrial Plan, as well as the present value of expected cash flows beyond this period, through the determination of a terminal value. For the purposes of the impairment test, a four-year time horizon was used.

The main assumptions used to estimate the recoverable amount include:

- The explicit cash flow forecast period, from 1 January 2025 to 31 December 2028;
- The EBITDA based on assumptions regarding market and business development;
- An investment plan consistent with the expected business evolution;
- The terminal value, calculated as a perpetual annuity based on the projected and normalized 2028 cash flows;
- A discount rate (WACC) determined based on market assessments of the cost of capital and business-specific risks;
- A long-term growth rate (LTG) of 2%, in line with long-term inflation expectations.

The WACC was calculated as follows:

- Risk-free rate:
  The market rate for a risk-free investment was estimated using the yield of 30-year German government bonds (Euro-denominated) as of 31 December 2024, adjusted for the country risk premium. The resulting rate is **3.50%**.
- Unlevered and levered beta:
  The unlevered beta was determined as the average unlevered beta of a panel of companies comparable to the Tessellis Group (in terms of size, sector, and structure), resulting in a value of 0.494.
  The levered beta was calculated based on the unlevered beta, factoring in:
    - A debt-to-equity ratio of 0.834, derived from the average of comparable companies;
    - A tax rate of 24%.

  Taking these into account, the levered beta for Tessellis Group was set at 0.808.
- Market risk premium:
  The market risk premium was set at 5.5%.
- Size premium:
  Based on the Duff & Phelps table, the Size Premium – reflecting Tessellis Group's risk relative to other companies in the panel – was assessed at 2.66%.
- Company-specific risk premium:
  The Company Specific Risk Premium was set at 3.29%, also reflecting financial stability-related risks of the Group.
  Based on the above factors, the cost of equity for the Tessellis Group as of 31 December 2024 amounts to 13.89%.
- Cost of debt
  The relevant debt rate for the Tessellis Group was set at 4.2%.
  This rate, calculated as the average interest rate on existing borrowings – also factoring in assumptions related to potential debt renegotiations – was adjusted to neutralize the tax impact (with a tax rate of

24%), resulting in an after-tax cost of debt as of 31 December 2024 of 3.19%.

Based on the parameters mentioned above, the WACC was calculated at 9.03%.

At the consolidated level, the impairment test showed a positive difference between the recoverable amount and the consolidated carrying amount.

Sensitivity analysis on the results of the impairment test

In light of the current and expected context, as well as the results of the impairment test carried out for the period ended 31 December 2024, a sensitivity analysis was conducted on the recoverable amount estimated using the discounted cash flow method. The discount rate is considered a key parameter in estimating the recoverable amount. Based on the Group's sensitivity analysis, even with a 2% increase in the WACC, there would be no significant impact on the coverage level.

A sensitivity analysis was also performed on the long-term growth rate. This analysis showed that a zero growth rate (compared to the 2% used) would not result in any impairment indicators.

Considerations regarding the presence of external indicators of impairment

In light of the current market conditions, an assessment was carried out to determine the presence of external indicators of impairment, with particular reference to signals from the financial markets. In this regard, the market capitalisation of the Tessellis Group does not reveal any discrepancies with the outcome of the impairment testing process.

Goodwill (Note 13)

Goodwill *(EUR 000)*	**Total**
1 January 2024	**48,292**
Increase	8,382
31 December 2024	**56,674**

The goodwill item amounts to EUR 56.6 million and is composed as follows:

- EUR 42.8 million resulting from the merger between Tessellis and the Retail Branch of Linkem Service, which took place on 1 August 2022;
- EUR 4.8 million related to the acquisition of control of 3P Italia;
- EUR 0.7 million related to the acquisition of control of Aetherna;
- EUR 8.3 million related to the acquisition of control of the Go Internet Group, which occurred on 31 May 2024. For further details on this acquisition, please refer to paragraph 4.3.1 "Key activities carried out and results achieved during financial year 2024."

The increase for the period is due to the recognition of goodwill arising from the acquisition of control of the Go Internet Group.

Preamble

In the following tables relating to Fixed Assets, the amounts reported under the item “Changes in scope of consolidation” refer to the increases attributable to the consolidation of the Go Internet Group as of 31 May 2024.

Intangible Assets (Note 14)

Intangible Assets (EUR 000)	**In-house production software development costs**	**Trademarks, Concessions and Similar Rights**	**Broadband service activation costs**	**Other intangible assets**	**Intangible assets in progress and advances**	**Total**
1 January 2024	**459**	**66,875**	**20,957**	**19,279**	**63**	**107,632**
Increases	552	6,197	7,761	4,594		**19,104**
Decreases						
Amortization/Depreciation for the period	(359)	(10,631)	(14,417)	(6,083)		**(31,490)**
Reclassifications	(286)	396		(12)	(78)	**20**
Changes in the scope of consolidation	992	338		477		**1,808**
Other Changes					16	**16**
31 December 2024	**1,358**	**63,175**	**14,301**	**18,255**	**1**	**97,090**

The item *Internally developed software production costs*, amounting to EUR 1.4 million, includes the costs incurred for the development of customized application software intended for the Group’s exclusive use (net of the related amortisation fund). Investments during the period amounted to EUR 0.6 million.

The balance of the item *Trademarks, concessions and similar rights*, amounting to EUR 63.2 million, comprises:

- EUR 38 million related to the “Tiscali” trademark;
- EUR 15.4 million for licences and software, including software for the remote activation and management of customer-premises equipment, licences for the use of the VOIP platform, and software for customer management (billing, customer care);
- EUR 9.4 million for multi-year rights and charges related to the purchase of transmission capacity under multi-year concession contracts (IRUs – Indefeasible Rights of Use), recognised by the subsidiary Tiscali Italia S.p.A., with the main suppliers being Telecom Italia, Interoute, Fastweb, and Infracom;
- EUR 0.4 million for patent rights and industrial property.

Investments in 2024 amounted to EUR 6.2 million, mainly related to the development of IT platforms under the “One Company” project.

The item *Broadband service activation costs* amounts to EUR 14.3 million and includes the costs incurred for the activation of new lines for residential and business customers. Investments during the period totalled EUR 7.8 million.

Other intangible assets amount to EUR 18.2 million and include EUR 9.3 million for IP addresses essential for the Group’s core business and EUR 8.9 million for the costs of installing, configuring, and upgrading network nodes. Investments during the period amounted to EUR 4.6 million, relating to the backbone network upgrade.

Intangible assets under construction and advances amount to approximately EUR 1 thousand, reflecting a decrease of EUR 62 thousand in the period. The reduction is mainly due to the reclassification of EUR 78 thousand from this item to *Internally developed software production costs* for assets that started being amortised in 2024. Additionally, a positive change of EUR 16 thousand is recognised, linked to a gain on work-in-progress assets of Tiscali Italia S.p.A.

Net of the aforementioned reclassification, further reclassifications involved the categories *Internally developed software production costs*, *Trademarks, concessions and similar rights*, and *Other intangible assets*. These reclassifications relate to the asset categories of the Go Internet Group and reflect accounting adjustments made to correct previous misclassifications after the first consolidation date (31 May 2024). The total reclassifications among these intangible asset categories offset each other, with a net difference of EUR 20 thousand, of which EUR 18 thousand was due to assets reclassified from the category *Network equipment right-of-use assets* and EUR 2 thousand from reclassifications of tangible assets.

Right-of-use assets from lease contracts (Note 15)

Right-of-use assets from lease contracts *(EUR 000)*	**Rights of Use Network Equipment**	**Rights of use Real estate**	**Total**
1 January 2024	**1,334**	**8,825**	**10,159**
Increases	1,063	6,402	**7,465**
Decreases	(19)	(212)	**(231)**
Amortization/Depreciation for the period	(1,180)	(3,254)	**(4,434)**
Reclassifications	(124)	2	**(122)**
Changes in the scope of consolidation	167	250	**417**
31 December 2024	**1,241**	**12,013**	**13,254**

The item “Right-of-use – Network Equipment”, which includes operating lease agreements with a purchase option capitalised starting from 1 January 2019, amounts to EUR 1.2 million.
Additions during the period totalled EUR 1.1 million, while disposals amounted to EUR 19 thousand, both relating to company vehicles under lease.
The item “Right-of-use – Buildings”, totalling EUR 12 million, includes the recognition of right-of-use assets arising from the lease of the Sa Illetta headquarters, leases of secondary office premises, and other agreements for the lease of certain POPs. This item includes additions of EUR 6.4 million during the period.

Reclassifications affecting both of the above categories resulted in a net decrease of EUR 122 thousand, broken down as follows:

(i) Reclassifications of assets belonging to Tiscali Italia S.p.A. totalling EUR 277 thousand, of which

- EUR 258 thousand were reclassified from “Right-of-use – Network Equipment” to Property, Plant and Equipment, due to the termination of the lease and the acquisition of ownership of the related assets, and
- EUR 19 thousand were reclassified from “Right-of-use – Network Equipment” to Intangible Assets due to a previously incorrect classification.

(ii) Reclassifications of Go Internet Group assets from Property, Plant and Equipment to “Right-of-use – Network Equipment” for EUR 155 thousand, due to accounting adjustments correcting misclassifications identified after the date of first consolidation (31 May 2024).

Customer acquisition costs (Note 16)

Customer acquisition costs *(EUR 000)*	**Total**
1 January 2024	**18,354**
Increases	7,205
Decreases	-
Amortization for the period	(12,249)
Reclassifications	-
Write-downs	-
31 December 2024	**13,310**

This item includes the fees paid to commercial intermediaries for customer acquisition and amounts to EUR 13.3 million. The additions during the period total EUR 7.2 million and relate to the acquisition of new customers for both fixed and FWA ultrabroadband services as well as mobile services.

Property, Plant and Machinery (Note 17)

Tangible Assets *(EUR 000)*	**Plant and machinery**	**Other tangible assets**	**Assets under construction**	**Total**
HISTORICAL COST				
1 January 2024	**72,024**	**1,476**	**7,055**	**80,555**
Increases	4,414	657	4,587	**9,658**

Decreases	(47)	(1)		**(48)**
Reclassifications	5,039	1,362	(5,882)	**519**
Write-downs	(16,803)			**(16,803)**
Changes in the scope of consolidation	8,646	10,103	464	**19,213**
Other charges	(163)			**(163)**
31 December 2024	**73,110**	**13,597**	**6,223**	**92,930**
ACCUMULATED DEPRECIATION				
1 January 2024	**24,876**	**301**		**25,177**
Increases	21,409	629		**22,038**
Decreases		(1)		**(1)**
Reclassifications	314	102		**416**
Write-downs	(13,656)			**(13,656)**
Changes in the scope of consolidation	5,903	9,010		**14,913**
Other charges	(163)			**(163)**
31 December 2024	**38,683**	**10,041**		**48,724**
NET VALUE				
1 January 2024	**47,148**	**1,175**	**7,055**	**55,378**
31 December 2024	**34,427**	**3,556**	**6,223**	**44,206**

Property, Plant and Equipment (EUR 34.4 million) includes specific network equipment such as routers, DSLAMs, servers, and transmission devices installed at ULL sites.

Capital expenditures during the year amounted to EUR 4.4 million and mainly related to the purchase of modems installed at end customers' premises, while *net impairment losses* for the year totalled EUR 3.1 million, primarily concerning:

(i) write-downs and disposals of obsolete or defective modems recorded by Tiscali Italia S.p.A. for EUR 0.9 million;

(ii) write-downs and disposals of network equipment by Go Internet for EUR 2.2 million, specifically including write-downs and write-offs of non-operational Base Stations for EUR 2 million and of other equipment for EUR 0.2 million.

This category includes *other changes* of EUR 163 thousand (gross), fully offset by the corresponding depreciation fund, due to the use of the CPE impairment provision for assets no longer in use.

Other tangible assets, with a balance of EUR 3.6 million, include furniture, electronic and electromechanical office equipment. Investments for the year amounted to EUR 0.6 million.

Assets under construction and advance payments, with a balance of EUR 6.2 million, mainly consist of ongoing investments in network infrastructure. Investments during the period totalled EUR 4.6 million, primarily relating to the acquisition of CPE devices for FWA services.

This item includes *reclassifications* of EUR -5.9 million, attributable to assets transferred from the “Assets under construction” category to the “Plant and Machinery” and “Other tangible assets” categories, as these assets began their amortisation during the period.

It is noted that *Property, Plant and Equipment* shows a total net reclassification balance of EUR +0.1 million (EUR 0.5 million of historical cost, net of EUR 0.4 million of accumulated depreciation), broken down as follows:

(i) *Net reclassifications* **in** of EUR 0.2 million relating to assets of Tiscali Italia S.p.A., transferred from the “Right-of-use – network equipment” category, following the termination of the operating lease and the simultaneous acquisition of ownership of the relevant assets;

(ii) Net reclassifications out of EUR 0.2 million for assets transferred from “Tangible assets” to “Right-of-use – network equipment”, due to accounting adjustments by Go Internet for misclassifications identified after the initial consolidation date (31 May 2024).

Equity-accounted investments (Note 18)

This item includes the value of the following investee companies:

- Janna S.c.p.a., amounting to EUR 3.7 million. This is a consortium company over which the Group exercises significant influence by virtue of certain shareholder agreements. The company operates a submarine fibre optic cable laid between Sardinia and mainland Italy, and between Sardinia and Sicily. The Group holds a 17% stake.
- Connecting Project S.r.l., amounting to EUR 1.8 million. This is an Italian company specialized in providing integrated, high value-added solutions for retail telecommunications operators. The Group holds a 40% stake.
- Salesmart S.r.l., amounting to EUR 80 thousand. This company develops advanced solutions for digital marketing. The Group holds a 40% stake.

Movements in this item during the reporting period are shown in the following table:

Equity-accounted investments	31 December 2023	Contributions for the period	Write-downs for the period	Result for the period	Change in the scope of consolidation	31 December 2024
(EUR 000)						
Janna S.C.a.r.l.	3,719	445	(445)			3,719
Connecting Project S.r.l.	1,798			50		1,848
Salesmart S.r.l.	80			15		95
Total	**5,597**	**445**	**(445)**	**64**	**0**	**5,662**

Financial and economic information on equity-accounted investments

Company name	Registered office	Shareholding held by	Values as of 31 December 2024 (EUR/000					Direct ownership percentage as of 31 December 2024	Carrying amount of the investment as of 31 December 2024
			Assets	Share Capital	Shareholders' Equity	Revenues	Net Result		
Janna S.C.p.a.	Italy	Tiscali Italia S.p.A.	8,873	5,984	6,525	131	(941)	17%	3,719
Salesmart S.r.l.	Italy	Tiscali Italia S.p.A.	808	10	144	1,508	37	40%	95
Connecting Project S.r.l.	Italy	Tiscali Italia S.p.A.	6,253	10	1,171	4,772	124	40%	1,848

Note: As of the date of this Report, the financial statements as of 31 December 2024 of the associates accounted for using the equity method, whose values are reported in the table above, have not yet been formally approved by their respective Shareholders' Meetings.

Other non-current financial assets (Note 19)

Other non-current financial assets	**31 December 2024**	**31 December 2023**
(EUR 000)		
Security Deposits	907	785
Securities	1,372	955
Other financial assets	258	171
Total	**2,537**	**1,911**

Security deposits, amounting to EUR 0.9 million, consist of guarantees paid in connection with multi-year contracts related to the Group's operations.

The *Securities and equity investments* item includes investments measured at cost, such as Radoff, 2Hire, Wiseair, Invisible Cities, Oversonic Robotics, Epico Play, Istella, BID GO, and other minor holdings.

Other financial assets, amounting to EUR 0.2 million, mainly refer to financial receivables from the associate Salesmart S.r.l.

Deferred Tax Assets (Note 20)

Deferred tax assets	**31 December 2024**	**31 December 2023**
(EUR 000)		
Deferred tax assets	14,417	16,558
Total	**14,417**	**16,558**

Deferred tax assets refer to the DTAs that emerged as part of the Purchase Price Allocation (PPA) process related to the merger with the Linkem Retail business unit, which took place on 1 August 2022. The recovery of these assets occurs progressively in line with the reversal of the corresponding deferred tax liabilities, for the same amount.

Inventories (Note 21)

Inventories	**31 December 2024**	**31 December 2023**
(EUR 000)		
Inventories	6,213	8,297
Total	**6,213**	**8,297**

Inventories amounted to EUR 6.2 million and mainly include:

- EUR 3.4 million in IPv4 addresses, corresponding to approximately 104.9 thousand IP addresses available for sale, valued at EUR 33 each, in line with current market value;
- EUR 2.4 million in work in progress on order for the subsidiary 3P Italia, representing year-end progress on public administration projects managed under concession by 3P Italia;
- EUR 0.2 million for finished and consumable goods held by the subsidiary X Stream;
- EUR 70 thousand in tablets held by Tiscali Italia S.p.A.

The overall decrease of EUR 2 million over the period is attributable to the following factors:

- A EUR 2.8 million decrease in IP address inventory, of which EUR 2.5 million relates to stock depletion following sales in March and December 2024, and EUR 0.3 million reflects the write-down of remaining IP addresses to align book value with current market price;
- A EUR 0.1 million provision for obsolete stock at Tiscali Italia S.p.A.;
- A EUR 0.7 million increase in work in progress on order for 3P Italia;
- A EUR 0.2 million increase from the inclusion of X Stream's inventory following its consolidation into the Group.

Trade Receivables (Note 22)

Trade Receivables	**31 December 2024**	**31 December 2023**
(EUR 000)		
Trade Receivables	34,651	27,115
Allowance for Doubtful Accounts	(12,124)	(12,044)
Total	**22,527**	**15,070**

As of 31 December 2024, *trade receivables* amounted to EUR 22.5 million, net of a EUR 12.1 million allowance for doubtful accounts. These receivables refer both to consumer clients – characterized by a highly fragmented average receivable – and to business and public administration clients.

The net increase of EUR 7.5 million in receivables over the period is primarily attributable to:

- a change in the scope of consolidation following the acquisition of the Go Internet Group, effective 31 May 2024, which contributed EUR 2.1 million (gross receivables of EUR 6.8 million and an allowance of EUR 4.6 million);
- an increase in net receivables from Tiscali Italia of EUR 4 million, mainly due to a EUR 4.5 million decrease in the allowance, resulting from EUR 7.2 million of utilizations and EUR 2.7 million of new

provisions;

- an increase in receivables from non-consolidated companies by EUR 1.4 million, mainly due to accrued income from services rendered by Connecting Project (EUR 1.3 million);

- other minor changes totalling a decrease of EUR 0.1 million.

The recoverability of receivables is assessed periodically in accordance with a specific internal policy for estimating the allowance for doubtful accounts, which relies on historical trends and experience. The Group does not face a significant credit concentration risk, given the wide distribution of its client base. Specifically, expected credit losses are estimated at the time of initial recognition, factoring in the general risk of uncollectability, even for receivables not yet due, based on historical data.

The following table shows the movements in the provision for doubtful accounts during the respective financial years:

Movements in the provision for doubtful accounts	**31 December 2024**	**31 December 2023**
(EUR 000)		
Provision for doubtful accounts at the beginning of the period	**(12,044)**	**(9,983)**
Provision	(3,094)	(5,588)
Uses	3,014	3,526
Provision for doubtful accounts at the end of the period	**(12,124)**	**(12,044)**

The total *provision for the period* amounts to EUR 3.1 million. The item *Uses* includes the write-off of irrecoverable receivables. The table below shows the ageing of trade receivables (net of the provision for doubtful accounts) as of 31 December 2024:

(EUR 000)	**31 December 2024**	**31 December 2023**
not expired	12,385	6,629
1 – 180 days	6,791	4,417
181 – 360 days	1,648	1,309
over 360 days	1,703	2,715
Total	**22,527**	**15,070**

It should be noted that the amounts over 360 days shown in the table above mainly refer to VAT recoverable on fully written-down receivables.

Tax receivables (Note 23)

Tax receivables	**31 December 2024**	**31 December 2023**
(EUR 000)		
Tax receivables	293	123
Total	**293**	**123**

This item mainly includes receivables for IRAP.

Other current receivables and assets (Note 24)

Other current receivables and assets	31 December 2024	31 December 2023
(EUR 000)		
Other receivables	2,151	2,108
Accrued income	122	71
Prepaid expenses	5,899	6,078
Total	**8,172**	**8,257**

The item *Other receivables* includes the following components:

- Tax credits accrued on investments under the “Bonus Sud” and “Industry 4.0” legislation, amounting to EUR 1.1 million, of which EUR 0.8 million refer to the reinstatement of said credits following the successful outcome of the tax audit carried out by the Cagliari Finance Police for the 2021 and 2022 financial years;
- Tax credits under the “Legge Smuraglia” totalling EUR 0.2 million;
- Tax receivables for VAT amounting to EUR 0.4 million;
- Other minor receivables amounting to EUR 0.4 million.

The item *Prepaid expenses*, which totals EUR 5.9 million, includes costs already incurred but pertaining to subsequent financial years, mainly relating to multi-year line rental contracts, hardware and software maintenance, insurance and advertising costs.

Cash and cash equivalents (Note 25)

Cash and cash equivalents as of 31 December 2024 amount to EUR 6.4 million and include the Tessellis Group’s cash holdings, essentially deposited in bank current accounts.

There are no restricted deposits or cash not readily available for use.

Equity (Note 26)

Equity	31 December 2024	31 December 2023
(EUR 000)		
Share capital	139,500	208,993
Legal reserve	127	2,011
Employee benefits reserve	348	43
Accumulated losses and other reserves	(96,322)	(124,272)
Profit (loss) for the period	(57,979)	(62,373)
Equity attributable to the Group	**(14,326)**	**24,402**
Equity attributable to non-controlling interests	**1,549**	**959**
Total Equity	**(12,777)**	**25,361**

The changes in equity items are presented in the relevant statement.

In 2024, the Group's consolidated equity decreased by EUR 38.1 million. This change is attributable to the following factors:

- Capital increases for a total of EUR 19.5 million;
- EUR -0.2 million for ancillary charges related to capital increases;
- EUR -0.2 million due to the adjustment of the value of put options on subsidiaries 3P Italia and Aetherna;
- EUR +23 thousand related to a capital increase by the minority shareholder of Aetherna;
- EUR +0.4 thousand from the consolidation of the Go Internet Group;
- EUR +0.3 million for changes in the OCI reserve;
- A negative net result for the year 2024 of EUR 57.8 million.

Specifically, during 2024, as outlined in section 4.3 "Tessellis Shares" of this financial report, the Issuer's share capital changed due to the following:

- Capital increases of EUR 12.5 million resulting from the conversion of 125 N&G convertible bonds. These bonds were issued and converted during the second half of 2024, leading to the issuance of 37,542,797 shares.
- A reserved capital increase of EUR 7 million in favour of ShellNet S.p.A. on 19 December 2024, which resulted in the issuance of 28,771,064 unlisted shares.

Furthermore, in 2024 the following voluntary capital reductions were approved by the Ordinary and Extraordinary Shareholders' Meeting of Tessellis held on 17 June 2024:

- A voluntary reduction (pursuant to Article 2445 of the Italian Civil Code) of EUR 3,978,911.85 to cover the current and prior-year losses. The reduction was carried out without share cancellation, as the shares do not have an expressed nominal value.
- A voluntary reduction (pursuant to Article 2445 of the Italian Civil Code) of EUR 85,013,818.32, with a corresponding increase in Other Reserves. This was also executed without cancelling shares, due to the lack of nominal value.

Following the above transactions, the share capital decreased from EUR 208,992,730.17 as at 31 December 2023 to EUR 139,500,000 (fully subscribed and paid-in) as at 31 December 2024, and is composed of 271,610,004 ordinary shares with no nominal value. An additional 28,771,064 unlisted shares were issued following the reserved capital increase for ShellNet S.p.A. on 19 December 2024.

It should be noted that following the aforementioned capital increases, ShellNet S.p.A. holds a 55.75% stake in the Company's share capital as at 31 December 2024.

The table below shows the composition of equity with reference to its availability and distributability:

Statement detailing the items of equity.				Summary of uses in the previous 3	
	Amount	Possibilities for use	Distributable share with tax impact	Loss coverage	Other reasons
Capital	139,500	B	-		
Legal reserve	127	D			
OCI Reserve	348.1	D		-	
IFRS FTA Adjustment Reserve	(32,411)	D			
Exchange rate difference reserve	(107)	D			
Other Reserves	133,463	B			
Previous year's earnings	(197,268)				
Operating income	(57,979)		-	-	-
Total Shareholders' Equity attrivuable to the Group	**(14,326)**		**-**	**-**	**-**

Possibility of use_Legend
A for capital increases
B for covering losses
C for distribution to shareholders
D neither available nor usable to cover losses

Shareholders' equity attributable to minority interests (Note 27)

The portion of equity attributable to minority interests as at 31 December 2024 amounts to EUR 1.5 million.

Current and Non-current Financial Liabilities (Note 28)

With reference to the Senior Loan, it should be noted that the remaining instalments due (in September 2025 and March 2026) amount to a total of EUR 49.9 million. For details on the status of renegotiation/rescheduling activities related to the Senior Loan, please refer to paragraph 6.7 “Going concern assessments”.

It should also be noted that the covenants under the Senior Loan agreement were not met as of 31 December 2024. As a result, the long-term portion of the Senior Loan (including the loan previously held by CR Umbria), amounting to EUR 37.5 million, has been reclassified as a current liability, as it is immediately payable under the terms of the loan agreement.

Current financial liabilities

Current financial liabilities	31 December 2024	31 December 2023
(EUR 000)		
Bond Loan	1,000	
Due to banks and other lenders	64,472	20,241
Lease obligations	4,643	4,144
Total	**70,115**	**24,385**

<u>Due to banks and other lenders - current portion</u>

The item “Amounts due to banks,” amounting to approximately EUR 64.4 million, includes the following components:

- The short-term portion of the Senior Loan totalling EUR 51.1 million (comprising EUR 34.8 million originally classified as long-term but reclassified as short-term due to covenant breaches as of 31 December 2024, and EUR 16.3 million as short-term including interest);
- Bank borrowings of EUR 8.5 million, of which EUR 1 million relates to the Go Internet Group;
- The short-term portion of long-term financial debts of the subsidiaries 3P Italia and Aetherna for EUR 0.2 million, and of the Go Internet Group for EUR 0.5 million;
- Other financial payables to ShellNet S.p.A. for EUR 41.5 thousand;
- The short-term portion of the loan from Intesa Sanpaolo Bank – formerly Cassa di Risparmio dell'Umbria – amounting to EUR 3.1 million, comprising EUR 2.7 million of long-term debt reclassified as short-term due to covenant breaches as of 31 December 2024, and EUR 0.4 million as short-term including interest;
- Payables to Sarda Factoring totalling EUR 1 million.

Lease payables – current portion

This item amounts to EUR 4.6 million and includes the following components:

- The current portion of lease liabilities for network equipment under operating leases, totalling EUR 2.4 million, of which EUR 0.4 million relates to the Go Internet Group;
- The current portion of the liability arising from the accounting treatment of the lease contract for the Sa Illetta headquarters under IFRS 16, amounting to EUR 2.2 million.

Non-current financial liabilities

Non-current financial liabilities	**31 December 2024**	**31 December 2023**
(EUR 000)		
Payables to banks and other lenders	23,677	61,003
Lease payables	11,161	8,292
Total	**34,838**	**69,295**

Payables to banks and other lenders

The item in question includes the following components:

- The long-term portion of the financial liabilities of the subsidiaries 3P Italia and Aetherna, amounting to EUR 0.3 million, and of the Go Internet Group, amounting to EUR 4 million;
- The shareholder loan from ShellNet, signed on 8 October 2024, totalling EUR 15.4 million (including interest);
- EUR 4 million recognised as a financial liability related to the put option on the minority interests in 3P Italia S.p.A. and Aetherna..

Lease payables – long-term portion

This item consists of the long-term portion of lease liabilities, amounting to EUR 11.1 million. Specifically, the amount includes the long-term portion of the liability recognised under IFRS 16 for the lease of the Sa Illetta headquarters, totalling EUR 4.5 million, and the long-term portion of the liability related to other lease agreements for certain network equipment, amounting to EUR 6.7 million.

Net Financial Indebtedness

The Group's net financial indebtedness is presented in the following table:

Financial Indebtedness	**Notes**	**31 December 2024**	**31 December 2023**
(EUR 000)			
A. Cash and cash equivalents		6,376	7,711
B. Cash equivalents to cash and cash equivalents			
C. Other current financial assets			35
D. Liquidity (A) + (B) + (C)		***6,376***	***7,746***
E. Current financial indebtedness	(1)	***15,170***	***10,089***
F. Current part of non-current financial indebtedness		**54,945**	**14,296**
G. Current financial indebtedness (E + F)		***70,115***	***24,386***
H. Net current financial indebtedness (G -D)		**63,739**	**16,639**
I. Non-current financial indebtedness	(2)	34,838	69,295
J. Debt instruments			
K. Trade and other non-current payables	(3)	11,942	15,438
L. Non-current financial indebtedness *(I +J +K)*		**46,780**	**84,733**
M. Total Financial Indebtedness (H + L)		**110,519**	**101,372**

The above statement has been prepared in accordance with CONSOB Warning Notice No. 5/21 dated 29 April 2021.

It should also be noted that, compared to the Net Financial Indebtedness disclosed pursuant to Article 114 of the TUF as of 31 December 2024, the Net Financial Indebtedness presented in the table above shows a EUR 0.1 million lower net indebtedness. Furthermore, the long-term portion of the Senior Loan, amounting to EUR 37.5 million, has been reclassified as short-term.

It is also highlighted that the amount of trade payables and other payables overdue by more than 12 months is EUR 5.6 million. Additionally, the employee severance indemnity (TFR) provision recognised by the company amounts to EUR 8.1 million.

The following table provides the reconciliation between the Net Financial Indebtedness prepared in accordance with CONSOB guidelines and the managerial Net Financial Indebtedness presented in the Management's Report.

	31 December 2024	31 December 2023
(EUR million)		
Consolidated net financial indebtedness	**97.7**	**85.1**
Other cash and non-current financial receivables	0.9	0.8
Long-term component of accounts payable and accrued tax liabilities	11.9	15.4
Consolidated net financial indebtedness prepared in accordance with Consob Attention Reminder No. 5/21 of April 29, 2021	**110.5**	**101.4**

Gross financial indebtedness (current and non-current), as identified below, amounts to EUR 116.9 million and is mainly composed of the items shown in the following table:

Composition of current and non-current indebtedness	31 December 2024	Current share	Non-current share
(EUR 000)			
Senior indebtedness (including former CR Umbria)	54,237	54,237	-
Long-term bank debt_other	4,985	709	4,276
Bond Loan	1,000	1,000	-
Bank payables	8,495	8,495	
Total senior and other bank payables	**68,717**	**64,440**	**4,276**
Payables to leasing companies	15,804	4,643	11,161
Other financial payables (including put option)	20,432	1,032	19,401
Trade and other non-current payables	11,942		11,942
Total payables to leasing companies and other payables	**48,179**	**5,674**	**42,504**
Total Indebtedness	**116,895**	**70,115**	**46,780**

The main items reported in the above table are as follows:

- Senior indebtedness: EUR 51.1 million;
- Intesa Sanpaolo loan (formerly Cassa di Risparmio dell'Umbria): EUR 3.1 million;
- Current portion of the Nice & Green mandatory convertible bond loan (POC 2023): EUR 1 million, represented by 10 bonds issued but not yet converted into equity as of 31 December 2024;
- Financial indebtedness of subsidiaries: EUR 0.5 million attributable to 3P Italia S.p.A. and Aetherna S.r.l., and EUR 4.5 million attributable to the Go Internet Group;
- Bank payables: EUR 8.5 million, of which EUR 1 million is attributable to the Go Internet Group;
- Payables to leasing companies: EUR 15.8 million. This includes the lease contract for the Sa Illetta headquarters for EUR 6.7 million. The remaining EUR 9.1 million includes real estate leases, company car leases, and other operating leases for network sites and equipment, of which EUR 0.7 million relates to the Go Internet Group;
- Other financial payables arising from the recognition of financial debt related to the put option on the

minority shares of 3P Italia and Aetherna: EUR 4 million;

- Other financial payables to ShellNet S.p.A. related to the purchase of devices (CPE) for the provision of the FWA service: EUR 41 thousand;
- Long-term portion of trade payables and instalment tax liabilities: EUR 11.9 million.

The table of monetary and non-cash changes in financial liabilities that occurred in 2024 is shown below:

Cash and no cash variations of Financial liabilities	31 december 2023	Cash movements (repayments / new debt)	POC Fees 2023	Reclass from Trade Payables	Reclass from Other Financial Liabilities	AU CAP	Offsetting with receivables	Discounting / Reverse discounting	Change in consolidation scope _Go Internet Group	Liabilities for put options on minorities_3P Italia & Aetherna	31 december 2024
(EUR 000)											
Senior debt	66,537	(15,263)	2,963								54,237
Long-term bank debt _other	748	(673)	176						4,734		4,985
Bond Loan		11,393	2,108			(12,500)					1,000
Bank Loans	3,092	3,966	322						1,116		8,495
Payables to Sarda Factoring		990									990
Leasing	12,437	1,733	924						710		15,804
Shareholder Loan - Tessellis			419	14,062	7,940	(7,000)					15,421
Other financial payables to Shellnet (CPE Econocom)	7,081				(7,940)		(118)	1,018			41
Put Option 3P Italia & Aetherna	3,787									192	3,979
Trade payables and other non-current payables	15,438	(3,495)									11,942
Financial liabilities	**109,119**	**(1,350)**	**6,912**	**14,062**	**-**	**(19,500)**	**(118)**	**1,018**	**6,560**	**192**	**116,895**

Event of default present on outstanding debt contracts

The agreement governing the Senior Loan includes, as is customary in structured finance contracts, several "events of default" triggered by specific circumstances, including: *(i)* failure to meet payment obligations; *(ii)* breach of contractual undertakings; *(iii)* breach of financial covenants; *(iv)* misrepresentations; *(v)* failure to execute or breach of guarantee-related documents; *(vi)* material cross-default events; *(vii)* significant audit "warnings" or "qualifications"; *(viii)* insolvency, liquidation, or dissolution of material Group companies; *(ix)* commencement of insolvency proceedings; *(x)* enforcement of significant legal actions against the Group; *(xi)* adverse outcomes in material litigation; *(xii)* discontinuation of significant business operations by Group companies; and *(xiii)* occurrence of events that materially adversely affect the Group's business.

The table below provides a summary of the main features of the financing as of 31 December 2024 (nominal values as of 31 December 2024):

Loan	Amount	Due date	Senior Lenders	Contractor	Guarantors
(EUR mln)					
Tranche A	7.4	31-mar-25	ACO SPV. S.r.L	Tiscali Italia S.p.A.	Tiscali S.p.A
Tranche B	5.9	31-mar-26	ACO SPV. S.r.L		Tiscali International BV
					Tiscali Financial Services SA

Loan	Amount	Due date	Senior Lenders	Contractor	Guarantors
(EUR mln)					
Tranche A	5.0	31-mar-25	Intesa San Paolo S.p.A.	Tiscali Italia S.p.A.	Tiscali S.p.A
Tranche B	41.1	31-mar-25	Intesa San Paolo S.p.A.		Tiscali International BV
					Tiscali Financial Services SA

As previously noted, the financing agreement includes, among the events of default, the requirement to comply with certain financial parameters (financial covenants). It should be noted that the covenants set out in the senior loan agreement were not met as of 31 December 2024, and for this reason the long-term portion of the loan was reclassified as current. Reference is made to paragraph 6.7 for the assessments made by the Board of Directors regarding the financing.

Leasing

The table below shows the present value of the minimum lease payments due:

(EUR 000)	**Minimum payments due**		**Present value of minimum payments due**	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Less than 1 year	5,380	4,755	4,643	4,144
Between 1 year and 5 years	9,897	8,879	8,693	7,993
Above 5 years	2,887	357	2,469	299
Total	**18,163**	**13,991**	**15,804**	**12,437**
Less future borrowing costs	2,359	1,555		0
Current value of minimum payments	**15,804**	**12,437**	**15,804**	**12,437**
Included in the balance sheet				
Lease payables (short-term)			4,643	4,144
Lease payables (long-term)			11,161	8,292
	0	**0**	**15,804**	**12,437**

Other non-current liabilities (Note 29)

Other non-current liabilities	**31 December 2024**	**31 December 2023**
(EUR 000)		
Trade payables	7,841	14,482
Other payables	4,596	1,474
Total	**12,437**	**15,956**

The item “trade payables” refers to the long-term component of trade payables. These payables are recognised at amortised cost.

- The item “other non-current payables”, amounting to EUR 4.6 million, includes:

- EUR 4.1 million in tax payables related to instalment plans for tax payment notices;
- EUR 0.3 million in customer security deposits;
- EUR 0.2 million due to the company Janna S.c.p.a. (which operates a submarine fibre-optic cable between Sardinia and mainland Italy, and between Sardinia and Sicily).

Liabilities for severance pay (Note 30)

The following table shows the movements during the period:

(EUR 000)	**31 December 2023**	**Net personnel transfers (°)**	**Provisions**	**Uses**	**Payments to the Funds (*)**	**Actuarial (gain)/loss**	**Change in the scope of consolidation**	**Other changes (#)**	**31 December 2024**
T.F.R. Fund	7,839	37	2,151	(627)	(1,851)	(305)	848	(29)	8,062
Total	**7,839**	**37**	**2,151**	**(627)**	**(1,851)**	**(305)**	**848**	**(29)**	**8,062**

(*) this refers to payments made to treasury funds and other supplementary pension funds;

(°) Net transfers of personnel: from Connecting Project to Tiscali Italia S.p.A. for EUR 72.4 thousand and net transfers of personnel from 3P Italia to EasyGov Solution for 39 thousand Euros;

(#) Waiver of TFM (severance pay) by the directors of 3P Italia.

The severance indemnity provision, which includes accrued benefits primarily for employees, refers to subsidiaries operating in Italy and amounts to EUR 8.1 million as of 31 December 2024. The EUR 0.8 million reported under the item "change in scope of consolidation" relates to the Go Internet Group, consolidated as from 31 May 2024.

In accordance with IAS 19, the valuation of the T.F.R. (Trattamento di Fine Rapporto, or severance indemnity) as of 31 December 2006 (defined benefit plan) was carried out using the Traditional Unit Credit Method for companies with at least 50 employees and the Projected Unit Credit Cost Method, applying the following financial assumptions:

<u>Financial Assumptions</u>

Inflation rate:	2,00%
Discount rate:	3,38%

<u>Demographic assumptions:</u>

Mortality:	ISTAT mortality tables 2022 M/F
Disability:	INPS tables separated by age and sex
Retirement:	100% upon achievement of AGO requirements
Frequency Advances:	3.50% from 18 years to 65 years
Frequency Turnover:	3.00% 18 years to 65 years of age

A sensitivity analysis of the main valuation parameters was carried out, showing the impacts on the book value of the severance fund as these parameters change.

A table that briefly shows the impacts of these changes as a percentage of the carrying value of the fund itself follows:

	Delta % respect to the Staff Severance Provision balance
Turnover Rate + 1%	**0.8%**
Turnover Rate - 1%	**-0.9%**
Inflation Rate + 0,5%	**3.2%**
Inflation Rate - 0,5%	**-3.1%**
Discount Rate + 0,5%	**-4.8%**
Discount Rate - 0,5%	**5.2%**

With reference to the portion of severance indemnity accrued during the year and, more generally, from the 2007 financial year onwards, such treatment is considered a defined contribution plan and is not subject to discounting.

Provisions for risks and charges (Note 31)

	31 December 2023	Provisions	Uses	Releases	Other changes (reclassifications)	31 December 2024
Provision for network infrastructure restructuring	741				(424)	317
Provision for supplementary customer indemnities	465					465
Provision for employee litigation risks	271		(50)	(63)		158
Other provisions for risks and charges	171	2,000				2,171
Tax audit risk provision (PPA)	4,374				(449)	3,925
Total	**6,021**	**2,000**	**(50)**	**(63)**	**(873)**	**7,034**

The *provision for risks and charges* as of 31 December 2024 amounts to EUR 7 million and includes the following components:

- EUR 4 million related to the Tax audit risk provision. The decrease compared to 31 December 2023 is due to the reclassification of EUR 0.4 million to payables to the tax authorities;
- EUR 2.2 million for other provisions for risks and charges, of which EUR 2 million relate to charges accrued in 2024 within the PPA process of the Go Internet Group and refer to risks associated with certain ongoing disputes;
- EUR 0.5 million for the supplementary agent indemnity fund;
- EUR 0.3 million for charges to be incurred for the rationalisation of the network infrastructure;
- EUR 0.2 million for the employee litigation risk provision.

Cash utilisations during the period, amounting to EUR 50 thousand, relate to settlements of employee disputes. Releases of EUR 63 thousand refer to write-offs of previously overstated provisions related to certain employee claims.

For an update on the status of disputes against which the risk provision is deemed to represent the best estimate of the Group's liability based on available information, please refer to the paragraph *Disputes, contingent liabilities and commitments*.

Deferred tax provision (Note 32)

Deferred tax provision	**31 December 2024**	**31 December 2023**
(EUR 000)		
Deferred tax provision	14,417	16,558
Total	**14,417**	**16,558**

The deferred tax provision refers to deferred taxes that emerged as part of the Purchase Price Allocation (PPA) process related to the merger with the Linkem retail branch, which took place on 1 August 2022.

Trade payables (Note 33)

Trade payables	**31 December 2024**	**31 December 2023**
(EUR 000)		
Trade payables	117,925	94,372
Total	**117,925**	**94,372**

Trade payables refer to amounts due for the supply of telephone traffic, data traffic, materials, technologies, and services, as well as for multi-year investment supplies.

As of 31 December 2024, net overdue trade payables (net of payment plans agreed with suppliers, offsetting receivables, and disputed items) amounted to EUR 15.6 million, compared to EUR 16 million as of 31 December 2023.

Tax Payables (Note 34)

Tax payables	**31 December 2024**	**31 December 2023**
(EUR 000)		
Tax payables	290	-
Total	**290**	**-**

This item includes payables for IRES and IRAP taxes.

Other Current Liabilities (Note 35)

Other Current Liabilities	31 December 2024	31 December 2023
(EUR 000)		
Accrued Expenses	1,291	2,561
Deferred Income	16,030	19,069
Other Payables	21,071	21,795
Total	**38,392**	**43,425**

Accrued expenses mainly relate to personnel costs.

Deferred income, amounting to EUR 16 million, refers to:

- The deferral of revenues from the activation of fixed and fixed wireless broadband and voice services, for the portion not pertaining to the reporting period, for approximately EUR 14.6 million;
- The deferral of revenues from the sale of transmission capacity (IRU), attributable to future periods, for approximately EUR 1.4 million.

Other payables, amounting to EUR 21.1 million, include:

- Payables to the tax authorities, social security institutions, and public entities for EUR 14.7 million;
- Other payables of the parent company Tessellis to ShellNet S.p.A. for EUR 3 million;
- Payables to employees for wages and salaries for EUR 2.7 million;
- Payables to the Board of Directors for fees for EUR 0.2 million;
- Other short-term payables for EUR 0.5 million.

6.12 Other information

Financial Instruments

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, coordinates access to financial markets, and monitors and manages financial risks related to the Group's operations through internal risk reports that analyse exposures by degree and magnitude of risk. These risks include market risks (including currency risks, fair value interest rate risks, and price risks), credit risks, and cash flow interest rate risks.

Management of interest rate risk

With reference to the existing indebtedness, which is mainly at fixed interest rates, the Company considers the risk of interest rate fluctuations to be insignificant; therefore, no hedging transactions have been undertaken to mitigate this risk.

Liquidity risk management

The table below shows the maturity of financial liabilities over the coming years, highlighting in particular the amounts due during the 2024 financial year.

The cash flows shown in the table refer to the nominal amounts payable on outstanding borrowings:

31 December 2024	Book value	Cash Outflows	less than 1 year	between 1 year and 5 years	more than 5 years
(EUR 000)					
Secured Bank Loans - Senior Loan incl. CR Umbria	54.237	57.038	17.486	39.552	
Tessellis Shareholders Loan S.p.A.	15.421	15.421		15.421	
Other financial payables	6.016	6.666	1.932	4.734	
Leasing payables	15.804	15.804	4.643	11.161	-
Accounts payable to suppliers (short-term and long-term)	125.765	125.765	117.924	7.841	
Other payables	25.686	25.686	21.090	4.596	
Bank overdrafts	8.495	8.495	8.495		

Please refer to Paragraph 6.8 for the considerations regarding the ability to meet payment obligations falling due within one year, in the context of the assessments made by the Directors on the going concern assumption.

Fair Value

The following tables show the valuations as of 31 December 2024 of the financial instruments held at the reporting date:

	31 December 2024	
	Carrying amount	Fair value
(EUR 000)		
Secured Bank Loans - Senior Loan incl. CR Umbria	54,237	54,612
Tessellis Shareholders Loan S.p.A.	15,421	15,421
Unsecured bank loans	14,511	14,600
Leasing payables	15,804	15,804

	31 December 2023	
	Carrying amount	Fair Value
(EUR 000)		
Secured Bank Loans - Senior Loan	63,246	63,999
Unsecured bank loans	3,609	3,609
Leasing payables	12,437	12,437

The fair value of the above financial instruments was determined using the discounted cash flow method, based on market interest rates increased by contractual spreads (where applicable).

Stock Options

As of 31 December 2024, there are no active stock option plans in place.

Tax proceedings

Audit by the Guardia di Finanza of Cagliari for fiscal years 2021 and 2022.

As a result of the audit conducted by the Guardia di Finanza of Cagliari on fiscal years 2021 and 2022, findings were raised concerning the eligibility for certain tax credits, which the Company promptly settled through voluntary repayments. Additionally, the audit highlighted the possible incorrect deduction of amortisation charges on tangible and intangible assets. According to the Company’s advisors, the most significant portion of this finding is disputable, also in light of established case law. The other findings do not give rise to taxable income, and therefore no provision to the risk fund was deemed necessary.

Fair Value

In order to provide the fair value classification of financial instruments as required by IFRS 13 – based on the quality of the inputs used in the valuation process – the Group’s fair value measurements have been categorised according to the three levels established by IFRS 7. Specifically, the fair value hierarchy consists of the following levels:

- Level 1: quoted prices in active markets;
- Level 2: prices derived from observable market data;
- Level 3: prices determined using inputs other than observable market data.

It should be noted that in 2024, no financial instruments were measured at fair value based on the parameters outlined above.

Segment reporting

Segment information is presented based on the following business segments:

- Access (B2C and B2B connectivity);
- Corporate.

The Corporate segment includes the holding company Tessellis S.p.A., minor Italian subsidiaries, dormant foreign entities, and consolidation eliminations and adjustments.

The income statement results and balance sheet structure by business segment for the financial years 2023 and 2024 are presented below.

2023 *(EUR 000)*	**Access**	**Corporate**	**Total**
Revenues			
To third parties	231,202	18	**231,220**
Infragroup	1,904	(1,904)	
Total revenue	**233,106**	**(1,886)**	**231,220**
Operating income	**(54,094)**	**(20,874)**	**(54,741)**
Earnings from equity-accounted investments			(396)

Financial Income	138
Financial Expenses	(7,064)
Earnings before taxes	**(62,062)**
Income taxes	(142)
Net income from (continuing) operations	**(62,204)**
Earnings from assets sold and/or held for sale	-
Net income	**(62,204)**

2024 *(EUR 000)*	**Access**	**Corporate**	**Total**
Revenues			
To third parties	216,973	18	**216,991**
Infragroup	2,111	(2,111)	-
Total revenue	**219,084**	**(2,093)**	**216,991**
Operating income	**(42,937)**	**(5,123)**	**(48,060)**
Earnings from equity-accounted investments			(381)
Financial Income			28
Financial Expenses			(10,192)
Earnings before taxes			**(58,605)**
Income taxes			(675)
Net income from (continuing) operations			**(57,929)**
Net income			**(57,929)**

31 December 2023 *(EUR 000)*	**Access**	**Corporate**	**Total**
Assets			
Segment assets	249,326	48,417	**297,743**
Investments accounted for using the equity method	5,597		**5,597**
Investments in other companies			**-**
Goodwill / Consolidation difference			
Assets held for sale			
Total consolidated assets	**254,923**	**48,417**	**303,340**
Liabilities			
Segment liabilities	270,452	7,527	**277,980**
Liabilities held for sale			
Total consolidated liabilities	**270,452**	**7,527**	**277,980**

31 December 2024 *(EUR 000)*	**Access**	**Corporate**	**Total**
Assets			
Segment assets	228,307	56,764	**285,071**

Investments accounted for using the equity method	5,662		**5,662**
Investments in other companies			**-**
Goodwill / Consolidation difference			
Assets held for sale			
Total consolidated assets	**233,969**	**56,764**	**290,733**
Liabilities			
Segment liabilities	272,549	30,961	**303,510**
Liabilities held for sale			
Total consolidated liabilities	**272,549**	**30,961**	**303,510**

Commitments and Other Guarantees

Below is a breakdown of the guarantees provided during the financial year:

(EUR 000)	**31 December 2024**	**31 December 2023**
Guarantees Provided to Third Parties (Sureties)	52,984	67,619
Commitments	-	1,600
Total	**52,984**	**69,219**

The guarantees and sureties provided to third parties mainly relate to the collateral securing the loans granted by financial institutions to the Tessellis Group, for a total amount of EUR 52.5 million, primarily attributable to the Senior Loan.

This item also includes EUR 0.5 million in other guarantees, mainly issued in favour of public entities for tax liabilities owed to the same entities. Although not material at consolidated level, it is noted that during the year the Parent Company provided guarantees for credit lines and leasing agreements in favour of its subsidiary Tiscali Italia, for a total amount of EUR 7.8 million.

Non-recurring transactions

Pursuant to Consob Resolution No. 15519 of July 27, 2006, it is reported that no non-recurring transactions were recorded between 1 January 2024, and 31 December 2024.

For the purpose of providing the information required under Consob Resolution No. 15519 of July 27, 2006, “non-recurring” transactions have been defined as those not falling within the Group’s ordinary course of business, even if such transactions occurred in previous years or are expected to occur in future years.

Atypical and/or Unusual Transactions

Pursuant to Consob Communication of 28 July 2006, it is hereby specified that during 2024 the Company did not carry out any atypical and/or unusual transactions, as defined by the aforementioned Communication.

ECONOMIC VALUES			
(EUR 000)	*Notes*	**Tessellis Group 31 December 2024**	**Tessellis Group 31 December 2023**
ShellNet S.p.A.	1	(29,155)	(54,804)
Project Group S.r.l.	2	(564)	(771)
Connecting Project	3	(331)	(342)
Sababa Securities S.p.A.	4	-	(97)
Transactions related to Mr. Soru	5	(7)	(88)
Board of Directors and Key Executives	6	(1,826)	(2,050)
Total Charges and Income		**(31,883)**	**(58,153)**
TOTAL		**(31,883)**	**(58,153)**

ECONOMIC VALUES			
(EUR 000)	*Notes*	**Tessellis Group 31 December 2024**	**Tessellis Group 31 December 2023**
ShellNet S.p.A.	1	(58,677)	(30,523)
Project Group S.r.l.	2	(815)	(802)
Connecting Project	3	(478)	(189)
Transactions related to Mr. Soru	5	-	662
Board of Directors and Key Executives	6	(263)	(241)
CC&Soci	7	(475)	(475)
Total Trade Payables (Suppliers) for Materials and Services		**(60,708)**	**(31,568)**
Shareholders' Equity			
TOTAL RECEIVABLES		**(60,708)**	**(31,568)**

(1) ShellNet S.p.A. (formerly Opnet S.p.A., following the change of company name in August 2024): main shareholder of Tessellis following the merger by incorporation of Linkem Retail S.r.l. into Tessellis S.p.A. (and the simultaneous transfer of the Linkem retail business unit to Tiscali Italia), completed on 1 August 2022. ShellNet S.p.A.'s shareholding in Tessellis stood at 55.75% as of 31 December 2024. The related party transactions concern: (i) provision of FWA connectivity services, which ended in late July 2024; (ii) financial payables of Tessellis S.p.A. related to an interest-bearing shareholder loan; (iii) payables owed by Tessellis in relation to receivables acquired under the investment transaction in the Go Internet Group completed on 31 May 2024; (iv) payables owed by the subsidiaries Go Internet and Bid Go.

(2) Project Group Italy S.r.l.: a company significantly owned by shareholder ShellNet. The relationship concerns the provision of CPE installation services for the activation of both consumer and business customers on FWA technology.

(3) Connecting Project S.r.l.: a company 40% owned by Tiscali Italia S.p.A., in which the CEO of Tessellis, Mr. Davide Rota, serves as a member of the Board of Directors. The relationship concerns IT maintenance and support services provided by Connecting Project S.r.l. to Tiscali Italia S.p.A.

(4) Sababa Securities S.p.A.: a company in which the CEO of Tessellis, Mr. Davide Rota, served as Chairman of the Board of Directors until May 2023. This role ended as of June 2023. The relationship concerned security services provided by Sababa Securities S.p.A. to Tiscali Italia. The economic values shown in the table above refer to the costs for the provision of services up to the end of May 2023.

(5) Transactions related to Dr. Soru: This line includes the income statement values up to 21 February 2024 related to active and passive transactions attributable to Dr. Soru, who resigned from his role as Director and Chairman of the Board of Directors of Tessellis on that date.

(6) This item includes 2024 fees and related payables as of 31 December 2024 concerning members of the Board of Directors of Tessellis and its subsidiaries, as well as the compensation (and related payables) of the Group's key management personnel.

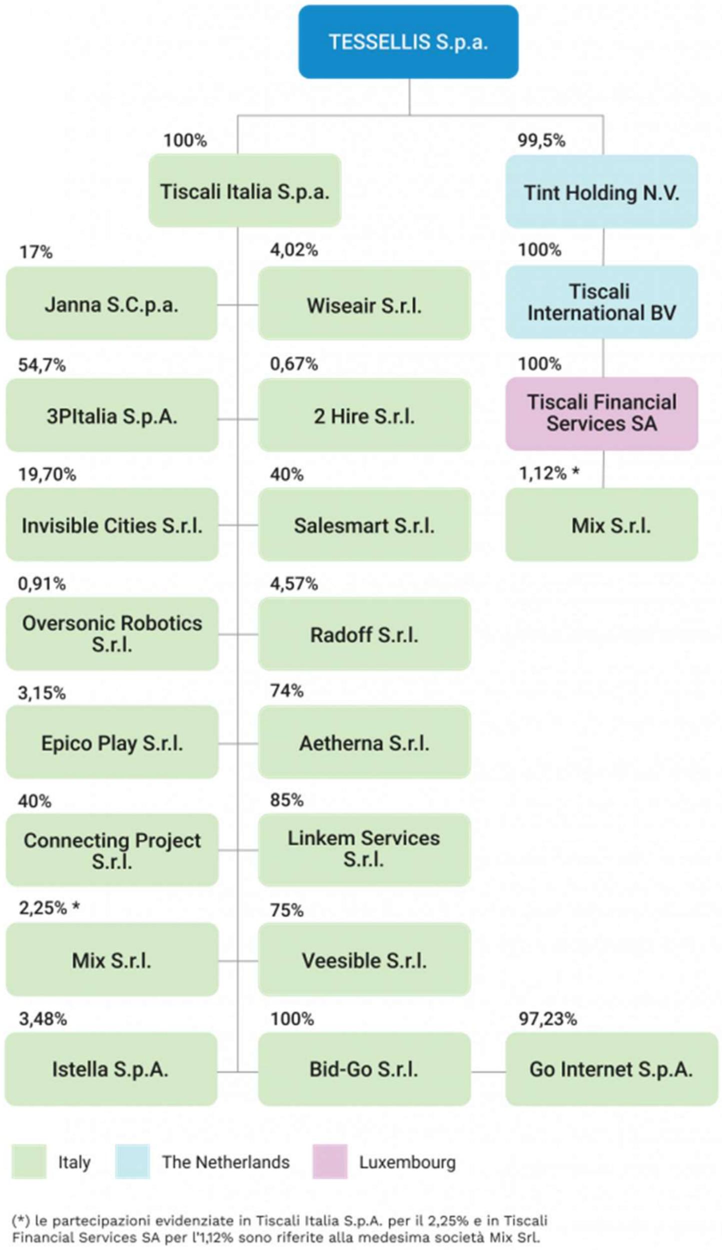
(7) CC&Soci S.r.l.: CC&Soci S.r.l., controlled by CC Holding S.r.l., which holds an approximately 11.8% stake in Amsicora S.r.l., entered into: (i) in December 2020, an agreement with Tessellis S.p.A. for the provision of financial advisory services; and (ii) in December 2021, an addendum to the aforementioned 2020 agreement concerning support and financial advisory services related to the merger transaction with Linkem Retail S.r.l..

Remuneration of Directors, Statutory Auditors, and Executives with Strategic Responsibilities

For the performance of their duties within the Parent Company and other consolidated entities, the remuneration due for the 2024 financial year to Directors and Statutory Auditors is as follows:

	2024	2023
(EUR 000)		
Directors	694	938
Statutory auditors	164	177
Executives with strategic responsibilities	1,132	1,112
Total	**1,990**	**2,227**

Structure of the Tessellis Group as of 31 December 2024:



List of Corporate Locations:

Consolidated companies	Address	
Tessellis S.p.A.	Località Sa Illetta SS195 km 2300	Cagliari (CA)
Tiscali Italia S.p.A.	Località Sa Illetta SS195 km 2300	Cagliari (CA)
Tiscali Italia S.p.A.	Strada Provinciale Bari Modugno, 1	Bari (BA)
Tiscali Italia S.p.A.	Via del Tratturello Tarantino, 6	Taranto (TA)
Tiscali Italia S.p.A.	Viale Giorgio Ribotta, 35	Roma (RM)
Veesible S.r.l.	Località Sa Illetta SS195 km 2300	Cagliari (CA)
Linkem Services S.r.l.	Viale Giorgio Ribotta, 35	Roma (RM)
3P Italia S.r.l.	Via Comina, 39	Seregno (MB)
Aetherna S.r.l.	Corso Cavour, 2	Lomazzo (CO)
Go Internet S.p.A.	Piazza Gian Lorenzo Bernini, snc	Gubbio (PG)

Bid-GO S.r.l.	Località Sa Illetta SS195 km 2300	Cagliari (CA)

Appendix – Information pursuant to Article 149-duodecies of the CONSOB Issuers' Regulation

The following table, prepared in accordance with Article 149-duodecies of the CONSOB Issuers' Regulation, sets out the fees relating to the audit of the consolidated financial statements as at 31 December 2024 and the half-year report for 2024, as well as for audit-related and non-audit services provided by the audit firm to the Tessellis Group. The figures refer to the 12-month period of the 2024 financial year:

Type of services	Subject who provided the service	Recipient	Remuneration
(EUR 000)			
Auditing company (*)	Deloitte & Touche S.p.A.	Parent company	396,918
	Deloitte & Touche S.p.A.	Subsidiaries	99,048
Attestation required by laws	Deloitte & Touche S.p.A.	Parent company	195,000
	Deloitte & Touche S.p.A.	Subsidiaries	
Other professional services	Deloitte & Touche S.p.A.	Parent company	115,000
	Deloitte & Touche S.p.A.	Subsidiaries	-
Total			**805,966**

(*) Amount including supervisory contribution.

Cagliari, 27 May 2025

Chief Executive Officer

Davide Rota

Executive Responsible for Preparing the Company's Financial Reports

Fabio Bartoloni

Certification of the Consolidated Financial Statements 2024 pursuant to Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented

The undersigned, Davide Rota, in his capacity as Chief Executive Officer, and Fabio Bartoloni, in his capacity as Executive Responsible for Preparing the Company's Financial Reports of Tessellis S.p.A., hereby certify, also taking into account the provisions of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, that:

- The administrative and accounting procedures adopted for the preparation of the consolidated financial statements during the 2024 financial year are adequate in relation to the characteristics of the company;
- Said procedures have been effectively applied.

Tessellis S.p.A. has adopted, as a reference framework for defining and assessing its internal control system – particularly with regard to internal controls over financial reporting – the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is internationally recognized as a comprehensive set of generally accepted internal control principles.

It is also hereby certified that the consolidated financial statements as of 31 December 2024:

- Have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as well as with the applicable legislative and regulatory provisions in force in Italy;
- Correspond to the accounting books and records;
- Provide a true and fair view of the financial position, results of operations, and cash flows of the issuer and of the group of companies included in the scope of consolidation.

Lastly, it is certified that the Management's Report includes a reliable analysis of significant events that occurred during the financial year and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties.

Cagliari, 27 May 2025

Chief Executive Officer

Davide Rota

Executive Responsible for Preparing the Company's Financial Reports

Fabio Bartoloni

Tessellis S.p.A. Financial Statements as of 31 December 2024

7 Tessellis S.p.A. – Financial Statements and Explanatory Notes

7.1 Income Statement

Income Statement	*Notes*	2024	of which related parties	2023	of which related parties
(Thousands of Euros)					
Revenues	*1*	2,303,387	2,285	2,575,030	2,557
Other incomes	*1*	-	-	-	
Purchase of materials and external services	*2*	(2,805,032)	(664)	(2,481,150)	(887,899)
Personnel cost	*3*	(93,912)	-	(26,167)	
Write-downs of receivables from customers	*5*	(220,771)	-	(234,808)	
Restructuring costs	*5*	(98,621,000)	-	-	
Operating result		**(99,440,328)**	**-**	**(167,595)**	
Financial Income	*6*	141,771	142	117,841	116,208
Financial Expenses	*6*	(2,610,525)	(419)	(194,281)	
Income (loss) before tax		**(101,909,083)**	**-**	**(244,035)**	
Taxation	*7*	-	-	-	
Net result from operating activities (ongoing)		**(101,909,083)**	**-**	**(244,035)**	
Result from held for sale and discontinued operations	*8*	-	-	-	
Net result		**(101,909,083)**	**-**	**(244,035)**	

7.2 Statement of Comprehensive Income

Comprehensive Income Statement	2024	2023
(Euros)		
Result for the period	**(101,909,083)**	**(244,035)**
Other elements for the comprehensive Income Statement:	-	-
Other elements of the comprehensive income statement that later will be reclassified in the profit/(loss) for the fiscal year	-	-
Other elements of the comprehensive income statement that later will not be reclassified in the profit/(loss) for the fiscal year	-	-
o/w (Loss)/profit from revaluation on plans with defined benefits	-	-
Total of other elements for the comprehensive Income Statement:	-	-
Total result of the comprehensive Income Statement	**(101,909,083)**	**(244,035)**
	-	-
To be attributed to:	-	-
Shareholders of the Parent Company	**(101,909,083)**	**(244,035)**
Minority Shareholders	-	-
Total	**(101,909,083)**	**(244,035)**

7.3 Statement of Financial Position

(EUR)	Notes	**31 december 2024**	**of which related parties**	**31 december 2023**	**of which related parties**
Non-current assets					
Intangible assets	*9*	57	-	59,500	
Investments	*10*	73,212,256	-	157,336,473	
Other financial assets	*11*	2,745,728	2,745.728	1,604,891	1,604,891
		76,014,485	**-**	**159,000,864**	
Current assets			-		
Trade receivables	*12*	285,367	285.367	2,575,019	2,557,019
Tax credits	*13*	55,641	-	97,090	
Other receivables and other current assets	*14*	100,407	-	88,609	10,768
Cash and cash equivalents	*15*	44,961	-	152,483	
		486,375	**-**	**2,913,202**	
			-		
Total assets		**76,500,860**	**-**	**161,914,066**	
			-		
			-		
Share Capital		139,500,000	-	208,992,730	
Results from previous fiscal years and other reserves		6,074,737	-	(82,470,928)	
Results for the fiscal year pertaining to the Group		(101,909,083)	-	(244,035)	
Total Shareholders' equity	*16*	**43,665,655**	**-**	**126,277,767**	
			-		
Non-current liabilities			-		
Other non-current liabilities	*17*	20,860,880	17,079.59	28,064,251	27,868,350
Provisions for liabilities and charges	*18*	-	-	-	
		20,860,880	**-**	**28,064,251**	
Current Liabilities			-		
Convertible bond	*19*	1,000,000	-		
Trade payables	*19*	3,274,225	-	3,965,463	386,535
Banks overdrafts and loans	*20*	53	348.331	-	
Tax payables	*21*	-			
Other current liabilities	*22*	7,700,047	-	3,606,586	619,567
		11,974,325	**3,648.08**	**7,572,049**	
Total Shareholders' equity and Liabilities		**76,500,860**	**-**	**161,914,066**	**-**

7.4 Statement of Changes in Equity

(Euro)	Capital	Legal reserve	Other reserves	Merger reserve Linkem Retail Branch	Accumulated losses and Loss for the period	Total
Balance as of 31 dec 2022	**185,513,965**	**88,788**	**(1,528,408)**	**(77,085,242)**	**(3,734,877)**	**103,254,227**
Capital increase	19,478,765					**19,478,765**
Bond Conversion (POC)	4,000,000					**4,000,000**
Bond Fees (POC)						**-**
Merger Linkem Retail						**-**
Capital increase fee			(211,190)			**(211,190)**
Net result					(244,035)	**(244,035)**
						-
31 december 2023	**208,992,730**	**88,788**	**(1,739,598)**	**(77,085,242)**	**(3,978,912)**	**126,277,767**
Capital increase	7,000,000					**7,000,000**
Bond Conversion (POC)	12,500,000					**12,500,000**
Capital increase fees			(203,030)			**(203,030)**
Capital decrease	(88,992,730)				88,992,730	**-**
Net result					(101,909,083)	**(101,909,083)**
31 december 2024	**139,500,000**	**88,788**	**(1,942,628)**	**(77,085,242)**	**(16,895,264)**	**43,665,654**

7.5 Statement of Cash Flows

(Thousands of Euro)	Notes	2024	of which related parties 2024	2023	of which related parties 2023
OPERATING ACTIVITIES					
Result from Operating activities		**(101,909,083)**	**1,343,415**	**(244,035)**	**1,785,328**
Adjustments for:					
Amortization of Intangible Fixed Assets	5	3,000		1	
Provision for bad debts provisions/allowances (including IC)	5	220,771		234,808	
Release of provisions for risks previously set aside	18	98,621,000		0	
Proventi finanziari	6	(141,771)		(117,841)	
FInancial Expenses	6	2,610,525		194,274	
Other changes	1-2	0		0	
Cash flows from operating activities before changes in working capital		**(595,558)**	**1,343,415**	**67,206**	**1,785,328**
Changes in receivables	12	18,000		0	
Changes in payable to suppliers	20	(938,371)	(38,204)	(2,058,486)	28,657
Changes in other liabilities	17-22	7,678,847	3,028,512	2,438,739	(1,856,592)
Changes in other assets	14	29,655		(29,724)	
Changes in working capital		**6,788,131**	**2,990,309**	**350,529**	**(1,827,935)**
AVAILABILITY CASH FLOWS GENERATED BY OPERATING ACTIVITIES		**6,192,573**	**4,333,724**	**417,735**	**(42,606.530)**
INVESTMENT ACTIVITIES		**0**		**0**	
Acquisitions of Intangible Fixed Assets		0		(60,000)	
AVAILABILITY OF CASH AND CASH EQUIVALENTS FOR INVESTMENT ACTIVITIES		**0**		**(60,000)**	**0**
FINANCIAL ACTIVITY		**0**		**0**	
Chamges in intercompany financial assets/liabilities intercompany	11-17	(17,691,162)	(16,647,172)	(8,212,732)	(8,124,422)
Changes in other financial liabilities	19	(1,434)		(1,361)	
Chamges in bond	19	0		0	
Changes in Net Equity	16	11,392,500		7,828,698	
AVAILABILITY CASH ARISING FROM/(USED IN) FINANCIAL ACTIVITIES		**(6,300,095)**	**(16,647,172)**	**(385,395)**	**(8,124,422)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(107,522)**	**(12,313,449)**	**(27,660)**	**(8,167,028)**
AVAILABILITY CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**152,483**	**-**	**179,644**	**-**
CASH AND CASH EQUIVALENTS AT YEAR-END		**44,961**	**(12,313,449)**	**151,984**	**(8,167,028)**

7.6 Explanatory Notes

Tessellis S.p.A. (hereinafter also referred to as "Tessellis" or the "Company", and together with its subsidiaries as the "Group" or the "Tessellis Group") is a joint-stock company incorporated in Italy and registered with the Companies Register of Cagliari. Tessellis is the parent company of the Tessellis Group, which provides integrated services for internet access, telephony, and multimedia services. Specifically, it operates in the segment of IP-based technology services that enable the provision of voice and internet through a single technological platform.

This financial statement is presented in Euro (€), as this is the currency in which most of the Parent Company's operations are conducted.

The income statement, balance sheet, statement of cash flows, and statement of changes in equity are presented in Euro, while the figures reported in the explanatory notes are presented in thousands of Euro.

7.6.1 Introduction and Statements of Compliance

The 2024 financial statements represent the separate financial statements of the Parent Company Tessellis S.p.A. and have been prepared in accordance with the International Financial Reporting Standards (hereinafter also referred to as "IFRS") issued by the International Accounting Standards Board (hereinafter also referred to as "IASB") and endorsed by the European Union, as well as the provisions issued pursuant to Article 9 of Legislative Decree No. 38/2005. IFRS also includes all revised International Accounting Standards (hereinafter also referred to as "IAS") and all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), formerly known as the Standing Interpretations Committee (hereinafter also referred to as "SIC").

7.6.2 Assessments on Going Concern

Facts and Uncertainties Regarding Going Concern

Tessellis S.p.A. closed the 2024 financial year with shareholders' equity of EUR 43.7 million (compared to EUR 126.3 million as at 31 December 2023) and a net loss of EUR 101.9 million (versus a loss of EUR 0.3 million as at 31 December 2023). As at 31 December 2024, net financial debt stood at a negative EUR 15.3 million, primarily related to a shareholder loan granted by ShellNet S.p.A. on 8 October 2024, as well as payables to group companies amounting to EUR 1.1 million, net of receivables. This compares to a net financial debt of EUR 26.3 million as at 31 December 2023, also consisting of payables to group companies, net of intercompany receivables.

The company's assets primarily comprise its investment in the subsidiary Tiscali Italia S.p.A. and intercompany financial assets.

Based on these factors, and considering Tessellis S.p.A.'s core role as a holding company, the Board of Directors believes that the assessment of the Company's going concern status is inherently and inseparably linked to the considerations regarding the going concern assumption of the Tessellis Group, as detailed below.

Operating Performance, Income, Equity and Financial Position of the Company

Tessellis Group closed the 2024 financial year with a consolidated net loss of EUR 58 million, within a context of significant capital imbalance and resulting severe financial tension.

In particular, from a capital standpoint, as of 31 December 2024 the Group reported consolidated shareholders' equity of negative EUR 13 million, a deterioration from the (positive) amount of EUR 25 million as of 31 December 2023. This was due to the loss for the year, partially offset by capital increases carried out during the year. The Parent Company's equity amounted to EUR 43.7 million as of 31 December 2024 (EUR 126.3 million as of 31 December 2023). The decline compared to the previous year is mainly attributable to the impairment of the investment held by Tessellis in Tiscali Italia for approximately EUR 99 million. As of that date, the Company falls under the scope of Article 2446 of the Italian Civil Code. The Shareholders' Meeting called to approve the financial statements as of 31 December 2024 will also be asked to resolve on a share capital reduction to cover the losses, based on the balance sheet as of 31 December 2024.

As of 31 December 2024, the Group also reported gross financial debt of EUR 105 million (EUR 94 million as of 31 December 2023), including a shareholder loan of EUR 15 million, which is subordinated to the Senior Loan. Gross debt increased by approximately EUR 11 million compared to the previous year, mainly due to the aforementioned shareholder loan and the consolidation of Go Internet Group, acquired during the year. In 2024, the Group repaid approximately EUR 14 million plus interest related to the Senior Loan, which is currently under renegotiation, as detailed below.

With regard to the Group's commercial exposure, it should be noted that current liabilities (amounting to EUR 156.6 million) exceed current (non-financial) assets (amounting to EUR 43.6 million) by EUR 113 million. This imbalance worsened compared to EUR 98.5 million as of 31 December 2023. Current liabilities include overdue trade payables (net of agreed payment plans with suppliers and disputed receivables from the same) amounting to EUR 15.6 million (improving from EUR 16 million as of 31 December 2023), overdue tax payables of around EUR 7 million (EUR 2.6 million as of 31 December 2023), and overdue social security payables of EUR 0.1 million, unchanged from 31 December 2023. Lastly, it is important to note that current liabilities include approximately EUR 35 million owed to shareholder ShellNet, which has committed not to request repayment of its claims for the 12 months following the approval of these financial statements.

From an income perspective, in 2024 the Group recorded revenue (including other income) of EUR 219.8 million, with an operating loss of EUR 48.1 million and a net loss of EUR 57.9 million. Compared to the previous year, these results reflect a revenue decrease of approximately EUR 14.1 million, despite an improvement of around EUR 6.6 million in operating result and EUR 4.3 million in net result.

During 2024, Tessellis Group operated within the framework of the 2024-2027 Industrial Plan (hereinafter also referred to as the "2024-2027 Plan"), approved by the Board of Directors on 7 May 2024. Specifically, in executing the 2024-2027 Plan, the Directors highlight the following actions aimed at achieving long-term objectives:

- The finalisation, on 31 May 2024, of the acquisition of the Go Internet Group through a complex transaction involving a capital increase and a full public tender offer, which led Tiscali Italia to acquire

97.23% of Go Internet's share capital. The acquisition – particularly of the subsidiary XStream – aims to expand the service portfolio, sales network and B2BX customer base, accelerating the Group's repositioning towards business services;

- The continued commercial focus on retail telecommunications services with a better investment-to-margin ratio, resulting in an increase in the mobile customer base from 328,000 as of 31 December 2023 to 351,000 as of 31 December 2024 (+7%). Conversely, due to optimisation of the fixed-line customer base (both FTTx and FWA) and more selective management of defaulting clients, the total fixed-line customer base decreased from 694,000 to 598,000 over the same period;
- The consolidation of relationships with financial institutions, achieved in part through the repayment of approximately EUR 14 million plus interest on the Senior Loan. Gross financial debt rose from EUR 94 million as of 31 December 2023 to EUR 105 million as of 31 December 2024, also reflecting the consolidation of the Go Internet Group and the EUR 15 million shareholder loan signed in October 2024 with ShellNet S.p.A.;
- The amendment of certain terms of the convertible and mandatorily convertible bond loan Nice & Green (POC 2023), including key usage and maturity terms. Thanks to these changes, the Company can draw down up to EUR 2 million per month under this instrument until 31 December 2026. Between July 2024 and the date of this report, the Company has drawn 175 bonds, for a total value of EUR 17.5 million (of which EUR 17.1 million has been converted into capital);
- The granting, on 30 September 2024, of the "Concession Decree" by the Ministry of Enterprises and Made in Italy (MIMIT) for the financial aid authorised by the Ministry in support of the Villanova Project. For further details, please refer to the section "Main Activities and Results in 2024." Additionally, in April 2025 a non-binding agreement was signed with Expert.ai to establish a partnership, which led to the incorporation of Villanova.ai srl on 21 May 2025. The project will be implemented through this newly formed company under a joint business plan, with Expert.ai as the main financial backer. In this context, Tessellis Group's financial burden related to the project will be significantly reduced.

Lastly, it is noted that as of 31 March 2025, the Group's net financial debt amounted to EUR 86.2 million, representing an improvement of EUR 11.5 million compared to 31 December 2024, primarily due to the March 2025 repayment of EUR 5.7 million on the Senior Loan, plus interest.

The revision of the 2025-2028 Plan

In the context outlined above, on 27 May 2025 the Board of Directors approved the new 2025-2028 Industrial Plan (hereinafter also referred to as the "Industrial Plan" or "2025-2028 Plan"), which confirms the strategic guidelines already included in the previous plan:

- Focus on consolidating and enhancing the existing fixed and mobile customer base, including through technological migrations to higher-performance service profiles with lower churn rates;
- Increasing customer profitability by offering bundled services and developing new propositions in

adjacent markets;

- Expanding business services, which – compared to the consumer segment – offer higher margins, lower churn and delinquency rates, and faster returns on investment;
- Reorganization of the media department, with the aim of monetizing the contact portfolio through advertising revenue and strengthening the “email” asset, which includes over one million active mailboxes;
- Optimization of operating costs, through the decommissioning of obsolete network elements and IT systems, and through targeted strategies to reduce personnel costs (such as the defensive solidarity contract introduced for non-executive staff starting in May 2025).

Based on these premises, and in line with the assumptions of the previous plan, the investments envisaged under the 2025-2028 Plan will require the procurement of additional financial resources beyond those generated by the Group through its operating cash flow.

Management reiterates that achieving financial, economic, and capital equilibrium for the Group is generally subject to the fulfilment of the objectives outlined in the Industrial Plan and the availability of the financial resources needed to support the planned investments – including the timely and successful conclusion of agreements with financial institutions, as further described below – in line with the continuity requirements of the business and dependent on the realization of the forecasts and assumptions contained in the Plan, particularly regarding market trends and the achievement of targets in an economic and business environment marked by intense competitive pressure.

The Cash Plan for May 2025 – June 2026 and the Measures Identified to Support the Execution of the 2025-2028 Industrial Plan

In order to fully implement the actions envisaged in the 2025-2028 Industrial Plan under the circumstances described above, the Directors have drawn up a cash plan for the period from May 2025 to June 2026, identifying the resources needed to support the Company’s financial requirements. This cash plan – net of the support provided by the shareholder ShellNet, described below – foresees a total cash requirement of approximately EUR 76 million during the period, to enable: *(i)* the fulfilment of all ordinary and current obligations, *(ii)* the payment of instalment plans agreed with suppliers and other creditors, *(iii)* a reduction in overdue trade payables, and *(iv)* the full repayment of the Senior Loan.

The financial resources already available to the Directors at the date of this report include:

1. The renewal of financial support from the shareholder ShellNet, in continuity with what was already provided at the time of approval of the 2023 annual financial statements, by postponing the payment deadlines on its receivables, for EUR 35 million, for a period of no less than 12 months from the date of approval of the financial statements;
2. Estimated cash on hand as of 30 April 2025, amounting to approximately EUR 3 million, including available lines of credit for invoice advances;

3. The sale of approximately 464,000 IP addresses to majority shareholder ShellNet, to be completed by July. The related agreement was signed on 12 May 2025 and provides for a total net consideration of up to EUR 10 million.

The additional financial resources identified to cover the remaining needs though not yet available to the Directors – include:

1. The possibility to draw on the POC (as previously described) in the amount of EUR 2 million per month;
2. The willingness of financial institutions to initiate the due diligence process for a new senior loan agreement, which would include a new amortisation schedule consistent with the 2025–2028 Industrial Plan;

The use of a commercial voucher of up to EUR 2.8 million (plus VAT), to cover the rental fees of the IPv4 addresses sold to ShellNet, equivalent to the first 15 monthly lease payments starting from the transfer of each lot.

With reference to the Senior Loan, given the Group's projected inability – based on current cash forecasts – to meet certain future contractual obligations, as was done in the past, the Group has requested financial institutions to begin the due diligence process for the approval of a new financing agreement. This would include a revised amortisation schedule starting from the second half of 2026, as well as new covenants. The request arises from the need to postpone the final two Senior Loan instalments – currently scheduled for September 2025 and March 2026 – and to address covenant breaches as of 31 December 2024, which could otherwise trigger creditor rights to accelerate repayment.

To date, several meetings have already been held between the Group's management and the technical and commercial teams of the aforementioned financial institutions, aimed at identifying the necessary preparatory actions to allow evaluation of the new financing proposal.

On 19 and 23 May 2025, the financial institutions, having found no critical issues at this stage regarding the Group's request, confirmed their commitment to continue the due diligence process, with the goal of submitting the new financing agreement for approval by their governing bodies.

In addition to the above, the Directors also believe they may secure further financial resources – currently not reflected in the cash plan – through the following actions:

The potential monetisation of certain assets held by the Group that are not essential to the implementation of the 2025-2028 Plan. In this regard, discussions are underway concerning the sale of non-strategic assets;

The possibility of accessing the GID Fund pursuant to Article 37 of Legislative Decree 41/2021, in order to obtain a EUR 30 million loan. This matter is currently under review by the Italian Council of State in relation to a dispute with the authority responsible for evaluating the application submitted by Tiscali, which previously ruled against admission to the benefit. The case is in its final hearing phase, scheduled for 27 May 2025.

Significant Uncertainties Regarding the Actions Identified to Support the Execution of the 2025-2028 Industrial Plan

With respect to the identified actions, the Directors highlight the following significant uncertainties that may cast substantial doubt on the Company's ability to continue as a going concern:

1. The 2025-2028 Industrial Plan outlines the estimated economic and financial results that could be achieved if management is able to implement all the actions included therein and if the outcomes of such actions materialize as projected. However, the ability to implement all planned measures – and, more importantly, to achieve the anticipated results – is not entirely within the Directors' control, as it depends on the evolution of the telecommunications market, which remains subject to intense competitive pressure. Consequently, the results outlined in the plan may not be indicative of the Group's actual future performance;
2. Although the Company, as previously stated, deems it essential to enter into a new senior financing agreement in order to continue as a going concern – and has initiated discussions with the lending institutions, who have expressed willingness to continue the dialogue – no formal agreement has yet been reached regarding the terms and conditions of such financing. Therefore, it cannot be ruled out that negotiations may lead to an unfavourable outcome or differ from what is currently envisaged in the 2025–2028 Plan;
3. While the Directors are confident that the revised structure of the POC 2023, as amended on 7 May 2024, will allow the instrument to be used without material limitations for an amount of approximately EUR 2 million per month, they also acknowledge that a particularly adverse market trend could nevertheless restrict full access to this source of funding;
4. The Group's ability to maintain flexibility in the timing of overdue payments to suppliers in accordance with the cash equilibrium projections.

Final Assessment of the Board of Directors on Going Concern

In this annual report, the Directors, with regard to the going concern assumption and the application of the accounting standards applicable to a functioning business, highlight that the Group:

- Generated cash from operating activities amounting to approximately EUR 30.5 million in 2024, before changes in working capital;
- Improved its operating result compared to the previous year by approximately EUR 6.6 million, despite a decrease in total revenues of EUR 14.1 million;
- Acquired a stake in XStream, a company of the Go Internet group, to pursue business opportunities in the enterprise services segment;
- Received, on 15 May 2025, a letter from the majority shareholder ShellNet S.p.A. committing not to request repayment of its receivables from the Group, amounting to EUR 35 million, for 12 months following the approval of the 2024 financial statements;
- Entered into an agreement with the shareholder ShellNet for the sale, in two tranches of approximately 464,000 IP addresses, for a total net consideration of up to EUR 10 million, and obtained a commercial voucher covering the first 15 monthly rental payments, amounting to approximately EUR 2.8 million;
- Continued negotiations aimed at defining a new senior financing agreement, reasonably expecting the

completion of the process, subject to the potential events that may arise during the negotiation with the lending institutions.

The Directors note that the going concern assumption is based on the achievement of the objectives outlined in the 2025-2028 Industrial Plan, particularly over the 12-month horizon. As of the date of this report, however, there remain significant uncertainties regarding events or circumstances that may raise substantial doubt about the Group's ability to continue as a going concern. These significant uncertainties, previously described, relate to: *(i)* the achievement of short-term objectives and developments in the telecommunications market, which is under intense competitive pressure; *(ii)* the timely conclusion of negotiations with the lending institutions for the new senior loan, in line with the Group's continuity needs; *(iii)* market conditions allowing continued access to the convertible bond (POC); and *(iv)* the Group's ability to maintain flexibility in payment terms with overdue suppliers in line with its expected cash balance.

That said, having carried out the necessary assessments and evaluated the significant uncertainties in light of the facts described – considering the aforementioned commitment from the reference shareholder and the availability of the convertible bond for up to EUR 2 million per month – the Directors are also confident in: *(i)* their ability to execute the Industrial Plan and achieve its objectives, particularly in the 12 months following the approval of the financial statements; *(ii)* the successful outcome of the ongoing renegotiation requests submitted to the lending institutions; and *(iii)* the Group's ability to manage operations in a way that ensures fulfilment of payment obligations over the next 12 months.

Accordingly, the Board of Directors has deemed it appropriate to adopt the going concern assumption in preparing the consolidated financial statements.

This decision is necessarily a subjective judgment, based on a comparative assessment of the likelihood of the aforementioned events occurring versus not occurring. It should be emphasized that the prospective nature of this assessment by the Board of Directors may be contradicted by subsequent developments. Fully aware of the intrinsic limitations of its judgment, the Board will maintain constant monitoring of the evolution of the factors considered (as well as any new developments that may arise), in order to promptly take any necessary actions.

Preparation Criteria

The preparation of the financial statements requires the Directors to make certain estimates and, in specific cases, to apply assumptions in the implementation of accounting principles. The financial statement areas that, under the circumstances, require the use of assumptions and those most significantly affected by estimates are described in the following paragraph "Use of Estimates".

Financial Statement Formats

The financial statements consist of the financial schedules (Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Cash Flow Statement), accompanied by the explanatory notes. The Income Statement has been prepared in accordance with the minimum content required by IAS 1 – *Presentation of Financial Statements* – with costs classified by nature.

The Statement of Financial Position has been prepared using the format that distinguishes between 'current/non-current' assets and liabilities. The Cash Flow Statement has been prepared using the indirect method.

Accounting principles

General Principles

The separate financial statements have been prepared in accordance with the IAS/IFRS – International Financial Reporting Standards (IFRS). The main accounting principles applied are set out below. These principles have been applied consistently for all periods presented.

Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are recorded at cost, adjusted in the presence of any permanent impairment losses.

In accordance with IAS 36, investments carried at cost are written down if there is an impairment loss or if circumstances indicate that the carrying amount may not be recoverable. If the reasons for the impairment loss cease to apply or are reduced, the carrying amount is increased up to the new estimate of the recoverable amount, within the limit of the original cost.

Impairment of Assets

The carrying amount of Investments, Other Intangible Assets, and Property, Plant and Equipment is subject to review (Impairment Test) whenever there is an indication that the asset may have suffered an impairment loss and, in any case, at the end of the financial year. When such indications exist, the recoverable amount of the assets is estimated in order to determine the possible impairment loss. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In determining value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be less than its carrying amount, the latter is reduced to the lower recoverable amount. The impairment loss is recognized in the income statement under impairment losses.

If an impairment loss recognized in previous years no longer exists or has decreased, the carrying amount of the asset (or of the cash-generating unit) is increased to the new estimate of the recoverable amount, but not beyond the net carrying amount that would have been determined had no impairment loss been recognized. The reversal of the impairment loss is recognized in the income statement.

Other Financial Assets

Other Financial Assets are measured, in accordance with IAS 39 requirements for ‘available-for-sale’ financial assets, at fair value or, alternatively, at cost when fair value cannot be reliably determined. Gains and losses arising from changes in fair value are recognized directly in equity until the assets are sold or impaired; at that time, the cumulative gains or losses previously recognized in equity are reclassified to the income statement for the period. The original value is reinstated in subsequent periods if the conditions that led to the impairment are no longer present.

Receivables and Loans

Tessellis S.p.A.’s receivables are recorded under the items “other non-current financial assets,” “trade receivables,” “other current receivables and assets,” and “other current financial assets.” They are measured, if they have a fixed maturity, at amortized cost using the effective interest method. When financial assets do not have a fixed maturity, they are measured at acquisition cost. Regular assessments are carried out to determine whether there is objective evidence that a financial asset or a group of financial assets may have suffered an impairment loss. If such objective evidence exists, the impairment loss is recognized as an expense in the income statement for the period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term deposits, the latter with an original maturity not exceeding three months.

Payables and Financial Liabilities

Tessellis S.p.A.’s payables and financial liabilities are recorded under the items “payables to banks and other lenders,” “other non-current liabilities,” and “trade payables” and are recognized at nominal value. Financial liabilities are initially recognized at cost, equal to the fair value of the consideration received, net of transaction costs. Subsequently, such liabilities are measured at amortized cost using the effective interest method, calculated by taking into account issuance costs and any discount or premium applicable upon settlement.

Equity-Based Compensation Plans

As of the date of this Report, there are no stock option plans in place.

Provisions for Risks and Charges

Provisions for risks and charges, relating to potential legal and tax liabilities, are made based on estimates prepared by the Directors, taking into account the assessments provided by the Group's legal and tax advisors, regarding the probable charge that is reasonably expected to be incurred in fulfilling the obligation. Should the Group be required to settle an obligation in an amount different from that estimated, based on the final outcome of legal proceedings, the resulting effects would subsequently be recognized in the income statement.

Treasury Shares

Treasury shares are recognized as a reduction of shareholders' equity.

Revenue Recognition

Revenue is recognized to the extent that it is probable that Tessellis S.p.A. will obtain economic benefits and the amount of revenue can be measured reliably; it is reported net of discounts, allowances, and returns.

Revenue from the provision of services is recognized in the income statement by reference to the stage of completion of the service and only when the outcome of the service can be reliably estimated.

Financial Income and Expenses

Interest income and expenses are recognized using the effective interest rate method.

Taxes

Income taxes for the year include both current and deferred taxes.

Current taxes are determined based on the taxable income for the year. Taxable income differs from the profit reported in the income statement because it excludes positive and negative components that will be taxable or deductible in future periods and also excludes items that will never be taxable or deductible. The liability for current taxes is calculated using the tax rates in effect at the balance sheet date.

Use of Estimates

The preparation of the separate financial statements and the related explanatory notes involved the use of estimates and assumptions deemed significant for determining the value of certain assets. Due to the use of such estimates and assumptions, the actual results arising from the occurrence of forecasted and/or foreseeable events may differ from those initially assumed. Therefore, the estimates and assumptions are reviewed on an ongoing basis, and the effects of any changes are recognized in the financial statements.

The use of estimates in the 2024 separate annual report is particularly relevant with respect to the valuation of the investment held in Tiscali Italia S.p.A., whose carrying amount was tested for impairment. As further detailed in the section "Impairment Testing of Assets," the impairment test is based on complex assumptions and estimates that are not entirely within the control of management.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

For information regarding the accounting standards, amendments, and IFRS interpretations applied as of 1 January 2024, please refer to paragraph 6.10 "Basis of Preparation" of the consolidated notes.

Revenue and Other Income (Note 1)

Revenue is composed as follows:

Revenues	**2024**	**2023**
(EUR 000)		
Revenues from services provided to Group companies	2,285	2,557
Revenues from services to third parties	18	18
Revenue	**2,303**	**2,575**
Other income	-	-
Other income	**-**	**-**
Total	**2,303**	**2,575**

Revenue from services to Group companies primarily refers to the invoicing of services provided by the Company to its operating subsidiary Tiscali Italia S.p.A., including charges for the license to use the Tiscali trademark, which are determined as a percentage of the revenue generated by the licensee.

Revenue from services to foreign third parties relates to domain usage licenses.

Below is the table of revenue by geographical area:

Revenues by geographical area	**2024**	**2023**
(EUR 000)		
Revenues from services provided to Group companies	**2,285**	**2,557**
- Italy	2,285	2,557
Revenues from services to third parties	**18**	**18**
- The Netherlands	18	18
- Italy	-	-
Total	**2,303**	**2,575**

Purchases of external materials and services (Note 2)

	2024	2023
EUR 000		
Purchase of materials and outsourced services	2,805	2,481
Total	**2,805**	**2,481**

The costs for *purchases of materials and external services*, shown net of benefits from the renegotiation of supplier contracts, include: *(i)* professional fees amounting to EUR 1 million; *(ii)* remuneration for the Board of Directors and the Board of Statutory Auditors amounting to EUR 0.4 million; *(iii)* penalties and surcharges for voluntary settlement of tax liabilities amounting to EUR 0.6 million; *(iv)* recharged service costs from Tiscali Italia amounting to EUR 0.3 million; *(v)* securities management costs and Consob supervisory contributions amounting to EUR 0.2 million; and *(vi)* staff insurance expenses of EUR 0.1 million and other general and external service costs of EUR 0.1 million.

Personnel costs (Note 3)

	2024	2023
(EUR 000)		
Wages and Salaries	-	-
Other Payroll costs	94	26
Total	**94**	**26**

As of 31 December 2024, there were no employees. The item *Other personnel costs* includes INPS charges on self-employed workers amounting to EUR 75 thousand and EUR 18 thousand in costs related to FASI contributions and operating leases for vehicles.

Other (costs)/operating income (Note 4)

Other operating (costs)/income is zero.

	2024	2023
(EUR 000)		
Other operating income (costs)	-	-
Total	**-**	**-**

Impairment of receivables, restructuring costs, other write-downs and amortisation (Note 5)

	2024	2023
(EUR 000)		
Write-down of trade receivables	221	235
Provisions for risks and charges	-	-
Restructuring costs and other write-downs	-	-
Write-down of investments in group companies	98,621	-
Depreciation	3	(1)
Total	**98,845**	**234**

The *Impairment of receivables* item mainly refers to the adjustment of the provision for doubtful accounts to align with the total amount of receivables due from the affiliated foreign company Tiscali International B.V.

The *Restructuring costs and other write-downs* item refers to the impairment loss recognised on the equity investment in Tiscali Italia, following the results of the impairment test.

Financial income (expense) (Note 6)

	2024	2023
(EUR 000)		
Financial Income		
Other financial income	142	118
Total Financial Income	**142**	118
Financial Charges		
Interests and other charges due to banks	609	181
Other financial charges	2,002	13
Total Financial Charges	**2,611**	**194**
Net financial income (charges)	**(2,469)**	**(76)**

Financial income refers to the interest accrued on the intercompany financial receivable from the affiliated foreign company Tiscali International B.V.

Net financial expenses, amounting to EUR 2.6 million, are detailed as follows:

- EUR 1.5 million in amendment fees on the Nice & Green (POC 2023) convertible and mandatorily convertible bond, paid in connection with the amendment of certain contractual terms of the bond's regulation;
- EUR 0.6 million in financial charges related to the bonds issued under the POC 2023 during 2024, corresponding to 135 bonds for a total amount of EUR 13.5 million, of which 125 bonds were converted into share capital in 2024;
- EUR 0.4 million in interest expense on the shareholder loan from ShellNet;
- EUR 0.1 million in late payment interest.

Income taxes (Note 7)

	2024	2023
(EUR 000)		
Current tax	-	-
Net tax for the FY	**-**	**-**

The balance of *current taxes* is nil.

With regard to IRES (corporate income tax) and IRAP (regional tax on productive activities) for the period, recorded under "income taxes", the following table presents the reconciliation between the theoretical tax rate and the effective tax rate.

Reconciliation between current tax charge and theoretical tax charge (IRES)

(EUR 000)		
(a)	Earnings before taxes	**(101,909)**
(b)	Theoretical tax charge (24%)	-
(c)	Temporary differences taxable in subsequent years	-
(d) =(a) + (c)	**Total**	**(101,909)**
	Temporary differences deductible in later periods:	
(e)	Write-downs of fixed assets	-
(f)	Allocations to provisions for risks	-
(g)	Costs deductible in later periods	2,524
(h)= (d) + (e)+ (f)+ (g)	**Total**	**(99,385)**
(i)	Reversal of temporary differences from previous years	**(1,105)**
(j)= (h) + (i)	**Total**	**(100,490)**
	Differences that will not carry over into subsequent years:	
(k)	Dividend collection	-
(l)	Non-deductible costs	99,498
(m)	Allowance for Corporate Equity (ACE) Deduction	-
(n)= (j) + (k) + (l)+ (m)	**Total**	**(992)**
(o)	Previous years' losses	**-**
(p) = (n) + (o)	**Taxable income**	**(992)**
*(q)= (p)*24%*	**Current income taxes for the year**	**-**

Reconciliation of current tax charge and theoretical tax charge (IRAP)

(EUR 000)		
(a)	Difference between value and cost of production	(819)
(b)	Margin of interest	(923)
(c)	Irrelevant items in the IRAP tax base	221
(d)= [(a) + (b) + (c)]* 5,57%	**Theoretical tax charge (5.57%)**	**-**
(e)	temporary differences taxable in subsequent years	**(1,049)**
(f)= (a) + (b) + (c) + (e)	**Total**	**(2,571)**
(g)	temporary differences taxable in subsequent years	-
(h) = (f) + (g)	**Total**	**(2,571)**
(i)	Reversal of temporary differences from previous years	-
(j)= (h) + (i)	**Total**	**(2,571)**
(k)	Differences that will not carry over into subsequent years	
(l)	Non-deductible costs	1,023
(m)	Deduction of permanent personnel cost	-
(n)=(j) +(l) + (m)	**Total**	**(1,547)**
(o)= (n)	**Taxable income**	**-**
*(p)= (o) *24%*	**Current income taxes for the year**	**0**

With regard to *tax loss carry forwards*, for which no deferred tax assets were recognised as at 31 December 2024, it should be noted that the total amount of tax losses carried forward as at that date amounted to EUR

487.3 million.

In the 2024 financial year, no tax benefit was recognised in the income statement in connection with the utilisation of such tax losses, as there was no taxable income against which to offset the carry forwards, nor were any deferred tax assets recorded in the balance sheet.

Result of discontinued operations and/or assets held for sale (Note 8)

The net result of discontinued operations is nil.

Intangible Assets (Note 9)

	31 december 2024	31 december 2023
(EUR 000)		
Intangible fixed assets	57	60
Total	**57**	**60**

The item in question includes multi-year marketing costs related to the "Tiscali" brand.

Equity Investments (Note 10)

As of 31 December 2024, this item includes equity investments in subsidiaries for an amount of EUR 73.2 million. This value refers exclusively to the investment in Tiscali Italia S.p.A.

The following table shows the changes that occurred during the year:

SUBSIDIARIES	31 december 2024			31 december 2023		
	Cost	Reval/(Deval)	Book value	Cost	Reval/(Deval)	Book value
(EUR 000)						
Tiscali Italia S.p.A.	157,336	(84,124)	73,212	157,336	-	157,336
Tint Holding N.V.	-	-	-	-	-	-
Total	**157,336**	**(84,124)**	**73,212**	**157,336**	**-**	**157,336**

The reduction in value is mainly attributable to the impairment of the investment in Tiscali Italia for an amount of approximately EUR 98.6 million, following the results of the Impairment Test. This was partially offset by the waiver of receivables by Tessellis S.p.A. from Tiscali Italia S.p.A., amounting to approximately EUR 14.5 million.

Comparison between the net carrying amount attributable and the related carrying value of the equity investments:

SUBSIDIARIES	Registered Offices	Share Capital	Shareholders' Equity	Result	% Held	Book Value	Difference between book value and net equity
(EUR 000)							
Tiscali Italia S.p.A.	Cagliari	17,783	21,937	(43,939)	100%	73,212	51,275
Tint Holding N.V.	Rotterdam	115,519	-	-	100%	-	-
		133,302	**21,937**	**(43,939)**		**73,212**	**51,275**

Impairment Test

The impairment test was carried out on the investment in Tiscali Italia S.p.A., recorded in the financial statements of Tessellis S.p.A. at a value of EUR 73.2 million.

The impairment test compared the equity value of Tiscali Italia S.p.A. with the carrying amount of the investment as recorded in the books of Tessellis S.p.A. For the criteria and key parameters used in conducting the impairment test, reference is made to Note 12 “Verification of any impairment of assets – impairment test” in the explanatory notes to the consolidated financial statements.

The impairment test showed that the equity value was lower than the carrying amount of the investment. As a result, it was necessary to recognise an impairment loss of EUR 98.6 million on the investment.

The sensitivity analysis conducted on the WACC and the long-term growth rate (±1% compared to reference parameters) did not indicate the need for any further impairment.

Other financial assets (Note 11)

Other non-current financial assets include financial receivables from Group companies for a total amount of EUR 2.7 million.

The breakdown of financial receivables due from Group companies is provided below:

	31 december 2024	31 december 2023
(EUR 000)		
Tiscali International BV	1,605	1,605
Tiscali Italia S.p.A.	1,103	-
Veesible	38	-
Total	**2,746**	**1,605**

Receivables from customers (Note 12)

	31 december 2024	31 december 2023
(EUR 000)		
Receivables from Customers	285	2,575
of which:		
towards Group companies	*285*	*2,557*
towards third parties	*0*	*18*
Allowance for doubtful accounts	*0*	*0*
Total	**285**	**2,575**

The allowance for doubtful accounts is nil.

Intercompany receivables from customers are summarized in detail in the following table:

	31 december 2024	31 december 2023
(EUR 000)		
Tiscali Italia S.p.A.	285	2,557
Total	**285**	**2,557**

Breakdown of Receivables from Customers by Due Date:

	31 december 2024	31 december 2023
(EUR 000)		
Within 12 months	285	2,575
Between 1 – 5 years	-	-
Beyond 5 years	-	-
Total	**285**	**2,575**

The carrying amount of trade receivables, including the allowance for doubtful accounts, approximates their fair value.

Tax receivables (Note 13):

	31 december 2024	31 december 2023
(EUR 000)		
Tax receivables	56	97
Total	**56**	**97**

This item mainly includes the IRAP credit claimed by the Company.

Other current receivables and assets (Note 14):

	31 december 2024	31 december 2023
(EUR 000)		
Other Receivables	11	11
Prepaid Expenses	90	78
Total	**101**	**89**

Other receivables mainly include receivables from miscellaneous debtors.

Cash and cash equivalents (Note 15)

Cash and cash equivalents at the end of the 2024 financial year amount to EUR 45 thousand and consist mainly of the Company’s liquidity held in bank current accounts. For a comprehensive analysis of the financial position, please refer to the relevant section of the Management’s Report, as well as to the cash flow statement.

Shareholders’ equity (Note 16)

(EUR 000)	31 december 2024	31 december 2023
Share capital	139,500	208,993
Legal reserve	89	89
Stock option reserve	0	0
Other reserves	5,986	(78,825)
Result from previous fiscal years	0	(3,735)
Result for the fiscal year	(101,909)	(244)
Total	**43,666**	**126,278**

The changes in the items of shareholders' equity are detailed in the related statement, which is hereby referenced.

At the end of the financial year, Tessellis S.p.A. recorded a negative result of EUR 101.9 million, compared to a negative result of EUR 0.2 million in 2023.

During 2024, the share capital of the Issuer was modified as a result of capital increases totalling EUR 19.5 million. For further details on the capital increases, please refer to paragraph 4.3 "Tessellis Shares".

The Company's share capital decreased from EUR 208,992,730.17 as at 31 December 2023 to EUR 139,500,000 (fully subscribed and paid-in) as at 31 December 2024, and is divided into 271,610,004 ordinary shares without indication of nominal value. In addition, 28,771,064 unlisted shares were issued in connection with the capital increase reserved for ShellNet S.p.A., carried out on 19 December 2024.

The following table shows the breakdown of shareholders' equity in terms of availability and distributability:

Statement of Details of Shareholders' Equity Items						**Summary of utilisations in the previous 3 financial years**	
	Import	Possible uses	Available share	Distributable share without tax effect	Distributable share with tax effect	Loss coverage	Other reasons
Share Capital	139,500,000	B	-	-	-	(88,992,730)	
Legal reserve	88,788	D				88.,992,730	
Other reserves	9,964,860	B					
Previous year's result	(3,978,912)						
Result for the year	(101,909,082)		-	-	-	-	-
Total	**43,665,654**	**-**	**-**	**-**		**-**	**-**

Possibility of use_Legend

A for capital increases

B for covering losses

C for distribution to shareholders

D neither available nor usable to cover losses

Other non-current liabilities (Note 17)

(EUR 000)	31 december 2024	31 december 2023
Payables to Group companies	1,658	27,868
Other Payables	19,203	196
Total	**20,861**	**28,064**

Financial payables to Group companies consist of payables due to the subsidiary Tiscali International BV, arising from loans granted over time to the parent company, amounting to EUR 1.6 million.

The item “Other payables” includes, for an amount of EUR 3.8 million, tax liabilities related to tax collection notices to be settled over the long term. The remaining portion refers to a shareholder loan granted and disbursed by ShellNet S.p.A. to Tessellis S.p.A.

Details of payables to Group companies are shown in the following table:

	31 december 2024	31 december 2023
(EUR 000)		
Tiscali Italia S.p.A.	-	26,263
Tiscali International BV	1,605	1,605
Veesible	53	-
Total	**1,658**	**27,868**

The breakdown of Other non-current liabilities by maturity is as follows:

	31 december 2024	31 december 2023
(EUR 000)		
Within 12 months	-	-
Between 1 – 5 years	1,658	27,868
Beyond 5 years	-	-
Total	**1,658**	**27,868**

Provisions for risks and charges (Note 18)

As of 31 December 2024, the provision for risks and charges is nil.

Bond loan and Payables to banks and other lenders (Note 19)

	31 december 2024	31 december 2023
(migliaia di Euro)		
Bond Issued	1,000	-
Total	**1,000**	**-**

The mandatory convertible bond loan Nice & Green (POC 2023) amounted to EUR 1 million as of 31 December 2024.

This amount refers to 10 bonds issued in 2024 which had not yet been converted into equity as of 31 December 2024.

Trade Payables (Note 20)

	31 december 2024	31 december 2023
(EUR 000)		
Trade Payables to Third Parties	2,926	3,579
Trade Payables to Group companies for materi	348	387
Total	**3,274**	**3,965**

Trade Payables to Third-Party Suppliers, amounting to EUR 2.9 million, mainly refer to professional consulting services.

It is noted that the trade payables are due within the following financial year, and their carrying amount as of the reporting date is considered to approximate their fair value.

The table below provides a breakdown of Trade Payables to Group Companies

	31 december 2024	31 december 2023
(EUR 000)		
Tiscali Italia S.p.A.	348	387
Total	**348**	**387**

Taxes payable (Note 21)

	31 december 2024	31 december 2023
(migliaia di Euro)		
Tax liabilities	-	-
Totale	**-**	**-**

Tax liabilities as of 31December 2024 are nil.

Other current liabilities (Note 22)

	31 december 2024	31 december 2023
(EUR 000)		
Deferred Income	-	18
Other Payables	7,700	3,589
Total	**7,700**	**3,607**

The item *Other payables* includes the following components: *(i)* Payables to the tax authorities, social security institutions, and other entities: EUR 1.6 million, *(ii)* Payables to Directors: EUR 0.2 million, *(iii)* Other payables to ShellNet S.p.A.: EUR 3 million, and *(iv)* VAT payable: EUR 2.9 million.

It should be noted that the Company has no non-current assets or liabilities with maturities exceeding five years recorded under non-current assets or non-current liabilities.

Guarantees Given and Commitments

The guarantees provided are detailed as follows:

(EUR 000)	31 December 2024	31 December 2023
Guarantees granted to third parties	52,555	71,705
Commitments	-	1,600
Total	**52,555**	**73,305**

Guarantees amounting to EUR 52.6 million were granted to third parties, of which EUR 52.5 million refer to the guarantee provided by the parent company in connection with the financing granted by the lending institutions under the Senior Loan. An additional EUR 27 thousand relates to sureties on real estate lease agreements.

Net Financial Debt

In accordance with Consob Warning Notice No. 5/21 dated 29 April 2021, the net financial debt as of 31 December 2024 and 2023 is summarized in the following table:

Net Financial Indebtedness	**31 december 2024**	**31 december 2023**
(Thousands of Euro)		
A. Cash and Bank deposits	45	152
B. Other cash equivalents		
C. Securities held for trading		
D. Liquidity (A) + (B) + (C)	***45***	***152***
E. Current loan receivables	***1,000***	
F. Current portion of non-current financial debt		
G. Current financial Indebtedness (E + F)	***1,000***	
H. Net current financial Indebtedness (G - D)	**955**	**(152)**
I. Non current financial debt (Intercompany)	14,334	26,263
J. Debt instrument		
K. Trade and other non-current payables	3,781	196
L. Non-current financial Indebtedness (I + J + K)	**18,115**	**26,459**
M. Net financial Indebtedness (H + L)	**19,070**	**26,307**

It should be noted that there are no employee severance indemnity liabilities recorded by the company.

Related Party Transactions

During 2024, Tessellis S.p.A. engaged in certain transactions with related parties, primarily involving intra-group relations and dealings with Directors.

These transactions were conducted under market conditions. The table below provides a summary of the balance sheet and income statement figures included in the Company's financial statements as at 31 December 2024, resulting from transactions with related parties.

The most significant amounts, as at 31 December 2024, summarized by counterparty, are as follows:

INCOME STATEMENT VALUES		2024				2023			
EUR/000		Cost	Devaluation	Interest income (expense)	Revenues	Cost	Devaluation	Interest income (expense)	Revenues
Tiscali Italia S.p.A.	1	(348)	-	-	2,285	(327)			2,557
		-	-	142	-			116	
Total Group companies		**(348)**	**-**	**142**	**2,285**	**(327)**	**-**	**116**	**2,557**
Other Related Parties									
Board of Directors' Remuneration		(316)				(561)			
Strategic Executives' Remuneration						-			
Stock Option									
CC & Soci						-			
Other Related Parties		**(316)**	**-**	**(419)**	**-**	**(561)**	**-**	**-**	**-**
Total Group Companies and other Related Parties		**(664)**	**-**	**(277)**	**2,285**	**(888)**	**-**	**116**	**2,557**

(1) Group companies

BALANCE SHEET VALUES *EUR 000*	Note	31 december 2024							
		Trade Receivables	Financial receivables	Trade payables	Financial payables (within 12 months)	Financial payables (beyond 12 months)	Payables to personnel	Other Current Liabilities	Stock Option Reserve
Tiscali International BV	1	-	1,605	-	-	(1,605)			
Tiscali Italia S.p.A.	1	285	1,103	(348)	-	-			
Veesible		-	38	-	-	(53)			
Total Group Companies		**285**	**2,746**	**(348)**	**-**	**(1,658)**			
Receivables from the sale of Istella									
Board of Directors' Remuneration								(158)	
Strategic Executives' Remuneration						(15,421)			
Stock Option								(3,015)	
CC & Soci								(475)	
Other Related Parties		**-**	**-**	**-**	**-**	**(15,421)**	**-**	**(3,648)**	**-**
Total Group Companies and other Related Parties		**285**	**2,746**	**(348)**	**-**	**(17,080)**	**-**	**(3,648)**	**-**

BALANCE SHEET VALUES *EUR 000*	Note	31 dicember 2023							
		Trade Receivables	Financial receivables	Trade payables	Financial payables (within 12 months)	Financial payables (beyond 12 months)	Payables to personnel	Other Current Liabilities	Stock Option Reserve
Tiscali International BV	1	-	1,605	-	-	(1,605)			
Tiscali Italia S.p.A.	1	2,557	-	(387)	-	(26,263)			
Total Group Companies		**2,557**	**1,605**	**(387)**	**-**	**(27,868)**	**-**	**-**	**-**
			11						
Board of Directors' Remuneration								(145)	
Strategic Executives' Remuneration									
Stock Option									
Stock Option								(475)	-
Other Related Parties		**-**	**11**	**-**	**-**	**-**	**-**	**(620)**	**0**
Total Group Companies and other Related Parties		**2,557**	**1,616**	**(387)**	**0**	**(27,868)**	**0**	**(620)**	**0**

Litigation, Contingent Liabilities and Commitments

As at the date of this financial report (31 December 2024), there are no legal disputes or contingent liabilities outstanding.

For further information regarding the Group's litigation, contingent liabilities and commitments, please refer to section "4.9 Litigation, Contingent Liabilities and Commitments".

Remuneration of Directors, Statutory Auditors and Executives with Strategic Responsibilities

Pursuant to Article 78 of the implementing regulation of Legislative Decree No. 58/1998, issued by CONSOB with resolution No. 11971/99, the following tables report the remuneration paid to Directors and Statutory Auditors.

Board of Directors

Name and Surname	Position	Term of Office	Remuneration for the Position	Remuneration for the committees	Non-monetary benefits	Other forms of Remuneration	Total EUR
Board of Directors							
Renato Soru	Chairman	In office from 16 May 2022 to 21 February 2024	42,308	-	-	7,250	49,558
Davide Rota	CEO	In office from 16 May 2022 to the approval of the financial statements as of 31 Dec 2024	100,000	-	-	-	100,000
Serena Maria Torielli	Director	In office from 16 May 2022 to the approval of the financial statements as of 31 Dec 2024	25,000	15,000	-	-	40,000
Maurizia Squinzi Pero	Director	In office from 16 May 2022 to the approval of the financial statements as of 31 Dec 2024	26,000	15,600	-	-	41,600
Sarà Testino Galatino	Director	In office from 16 May 2022 to the approval of the financial statements as of 31 Dec 2024	25,000	10,000	-	-	35,000
Daraviras Nicholas	Director	In office from 16 May 2022 to the approval of the financial statements as of 31 Dec 2024	13,472	-	-	-	13,472
Andrew Theodore Holt	Director	In office from 26 April 2023 to the approval of the financial statements as of 31 Dec 2024	25,000	-	-	-	25,000
Jeffrey Robert Libshutz	Director	In office from 26 April 2023 to the approval of the financial statements as of 31 Dec 2024	25,000	-	-	-	25,000
Total			**281,780**	**40,600**	**-**	**7,250**	**329,630**

Board of Auditors

Name and Surname	Position	Term of Office	Remuneration for the Position	Non-monetary benefits	Other forms of Remuneration	Total EUR
Statutory Auditors						
Riccardo Francesco Rodolfo Zingales	Chairman	In office from 16 May 2022 to the approval of the financial statements as of 31 Dec 2026	42,569	-	-	42,569
Andrea Borghini	Standing Statutory Auditor	In office from 16 May 2022 to the approval of the financial statements as of 17 Jun 2024	16,654	-	-	16,654
Rita Casu	Standing Statutory Auditor	In office from 16 May 2022 to the approval of the financial statements as of 31 Dec 2026	30,758	-	-	30,758
Antonio Zecca	Standing Statutory Auditor	In office from 17 June 2024 to the approval of the financial statements as of 31 Dec 2026	14,104			14,104
Total			**104,085**			**104,085**

It should also be noted that no costs were incurred in the year 2024 for compensation due to key management personnel.

Appendix – Information pursuant to Article 149-*duodecies* of the CONSOB Issuers' Regulation (to be updated)

The following table, prepared pursuant to Article 149-*duodecies* of the CONSOB Issuers' Regulation, shows the fees accrued for the 2024 financial year for audit services and for non-audit services provided by the audit firm.

Type of services	Subject who provided the service	Recipient	Remuneration
(Migliaia di euro)			
Auditing company (*)	Deloitte & Touche S.p.A.	Parent company	396,918
Attestation required by laws	Deloitte & Touche S.p.A.	Parent company	180,000
Other professional services	Deloitte & Touche S.p.A.	Parent company	130,000
			706,918

(*) Audit fees include the supervisory contribution.

Proposal for Allocation of the Net Result

Dear Shareholders,

The financial statements as at 31 December 2024, which we submit for your approval, close with a net loss of EUR 101,909,082.61.

We propose that you approve the financial statements, comprising the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position and Financial Situation, the Statement of Changes in Equity, the Cash Flow Statement and the accompanying explanatory notes, as prepared; and resolve on the allocation of the net loss for the year.

Cagliari, 27 May 2025

Chief Executive Officer

Davide Rota

Executive Responsible for Preparing the Company's Financial Reports

Fabio Bartoloni

Fabio Bartoloni

Statement on the Separate Financial Statements pursuant to Article 81-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented

The undersigned, Davide Rota, in his capacity as Chief Executive Officer, and Fabio Bartoloni, in his capacity as Executive Responsible for Preparing the Company's Financial Reports of Tessellis S.p.A., hereby certify, also taking into account the provisions of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, that:

- The administrative and accounting procedures adopted for the preparation of the consolidated financial statements during the 2024 financial year are adequate in relation to the characteristics of the company;
- Said procedures have been effectively applied.

Tessellis S.p.A. has adopted, as the reference framework for defining and assessing its internal control system – particularly with regard to internal controls for the preparation of financial statements – the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which represents a generally accepted set of international principles for internal control systems.

We further certify that the separate financial statements as at December 31, 2024:

- correspond to the results of the accounting books and records;
- have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union, as well as with the applicable legal and regulatory provisions in force in Italy;
- provide a true and fair representation of the financial position, results of operations, and cash flows of the issuer.

Lastly, we certify that the Parent Company's Management's Report – presented jointly with the Consolidated Management's Report in a single document – includes a reliable analysis of the performance and results of operations, as well as of the financial position of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

Cagliari, May 27, 2025

Chief Executive Officer

Davide Rota

Executive Responsible for Preparing the Company's Financial Reports

Fabio Bartoloni

Fabio Bartoloni

Consolidated Sustainability Disclosure
as of 31 December 2024

Prepared in accordance with Legislative Decree No. 125/2024

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8.1 General Disclosures

ESRS 2 General Disclosures

Reporting Criteria

BP-1 – General Criteria for the Preparation of Sustainability Statements

BP-1, 5 a), b) i: This report, included in the Integrated Annual Report, constitutes the Sustainability Disclosure of the Tessellis Group (hereinafter also referred to as "Tessellis" or "the Group"), comprising the parent company Tessellis S.p.A. and its subsidiaries, as of 31 December 2024.
It has been prepared in accordance with Legislative Decree No. 125/2024 of 6 September 2024, which transposes the European Directive 2022/2464 on Corporate Sustainability Reporting (CSRD).

In line with the provisions of the Decree and with the aim of ensuring maximum transparency regarding the Group's activities and performance, it is noted that the scope adopted for this sustainability reporting differs in some respects from that of the Group's Consolidated Financial Statements as of 31 December 2024.

Specifically, the following companies have been excluded from the scope of this sustainability disclosure: **Media PA, Linkem Services S.r.l., Tint Holding NV, Tiscali International BV, Tiscali Financial Services SA, as well as GoWimax** and **Bid-Go**. This exclusion is justified by their non-materiality based on the materiality criteria generally applied in reports compliant with the ESRS, with respect to the environmental, social, and economic impact of the Group.

Conversely, the companies Go Internet and XStream are included within the scope of this report. Their inclusion occurred progressively: initially as of 31 May with a 77% stake, subsequently increasing to 94% in the following months.

It should also be noted that for the **ESRS E5 standard – Resource Use and Circular Economy** – the reported data refers exclusively to **Tiscali Italia S.p.A.** and **Veesible**, as they are the only Group entities for which this topic is deemed material, given the scale of their operating activities and the traceability of waste flows. For the remaining companies, the topic was considered either not applicable or not material for reporting purposes.

BP-1, 5b) ii: All subsidiary undertakings of the Tessellis Group included in the consolidation scope are exempt from preparing individual sustainability statements pursuant to Article 19b(9) of Directive 2013/34/EU.

BP-1, 5 c): The new CSRD directive extends the scope of sustainability reporting to the entire value chain, while granting a three-year deferral to allow companies time to collect the necessary data and information. Accordingly, the Tessellis Group has made use of this deferral. The only metric in this Report related to the upstream and/or downstream value chain concerns Scope 3 emissions.

BP-1, 5 d): The Group has not made use of the option to omit specific information related to intellectual property, know-how, or innovation outcomes.

BP-1, 5 e): Moreover, no exemption has been applied under Articles 19a(3) and 29a(3) of Directive 2013/34/EU concerning the disclosure of imminent developments or matters under negotiation.

BP-2 – Disclosures in Relation to Specific Circumstances

BP-2, 9 a), b): The definition of time horizons adopted by the Tessellis Group is aligned with the provisions of ESRS 1, section 6.4 "Determination of short-, medium- and long-term time horizons for reporting purposes." Accordingly, the time horizons considered are as follows:

- Short-term horizon: less than one year
- Medium-term horizon: from one to five years
- Long-term horizon: more than five years.

BP-2, 10, a), b), c), d): With regard to the value chain, it should be noted that estimates/proxies were used to calculate Scope 3 emissions – Category 6. For further details, please refer to the chapter "E1 – Climate Change," paragraph "E1-6 – Gross GHG emissions for Scopes 1, 2, and 3 and total GHG emissions."

BP-2, 11 a) b): Additional quantitative metrics subject to a high level of uncertainty or estimation include:

- ESRS 2, SBM-3 – Current Financial Effects: The percentages relating to the number of leased or purchased vehicles powered by ecological fuels are based on estimates. These figures were calculated by considering leasing contracts for hybrid, electric, or biofuel-powered vehicles that were either in place or signed during 2024, in relation to the total number of active car leasing contracts as at 31 December 2024.
- G1-6 – Payment Practices.
- S1-16 – Remuneration Metrics (Pay Gap): for further details, please refer to the relevant paragraph in the chapter "S1 – Own Workforce."

BP-2 13,14: This Sustainability Statement is the first to be prepared in accordance with the ESRS standards. As such, it is not possible to identify changes in the preparation and presentation of information compared to previous periods, nor to correct potential past errors.

Furthermore, the Tessellis Group has opted for a phased-in approach to the integration of comparative data. Any discrepancies or errors identified in the reported data will be corrected in future reporting cycles, ensuring the ongoing improvement of the reliability and accuracy of the information disclosed.

BP-2, 15: This sustainability reporting includes the disclosure on the "EU Taxonomy" relating to the environmentally sustainable activities of the Tessellis Group. For further details, please refer to the paragraph "European Taxonomy."

BP-2, 16: Some disclosure requirements set out by the ESRS can be consulted outside the Sustainability Statement.

BP-2,17: The Disclosure Principle is not applicable to Tessellis, as the number of employees exceeds 750.

BP 2, RA 2: The Tessellis Group has adopted and implemented the following certified management systems:

- Quality Management System in compliance with ISO 9001.
- Information Security Management System in compliance with ISO 27001 and its extensions ISO 27017 and ISO 27018.
- Business Continuity Management System in compliance with ISO 22301.
- IT Service Management System in compliance with ISO 20000-1.
- Environmental Management System in compliance with ISO 14001.
- Occupational Health and Safety Management System in compliance with ISO 45001.

To ensure the continuous improvement of corporate performance across all relevant areas, all these management systems are subject to periodic internal and external audits.

• Governance

GOV-1 – Role of the Administrative, Management and Supervisory Bodies

GOV-1, 21 a), b), c), d), e): Tessellis operates under a **traditional governance model**, comprising a Board of Directors – responsible for the Group's strategic oversight and management policies – and a Board of Statutory Auditors, which performs supervisory functions. Both bodies are appointed by the Shareholders' Meeting. To ensure managerial transparency, accurate market disclosure, and protection of socially relevant interests, Tessellis' corporate governance system substantially adheres to the recommendations of the Corporate Governance Code, approved by the Corporate Governance Committee in March 2006 and subsequently updated.

The Group follows practices and behavioural principles formalised in procedures and codes that align with the guidelines of Borsa Italiana, CONSOB recommendations, and both national and international best practices. Tessellis has established an organisational structure capable of appropriately managing business risks and potential conflicts of interest – whether between directors and shareholders, majorities and minorities, or among different stakeholders.

As of 31 December 2024, trade union representation is not foreseen within Tessellis' administrative, management or supervisory bodies.

The primary goal of the Board of Directors is to generate long-term value for shareholders and stakeholders, pursuing sustainable corporate success. The Board receives all relevant information flows concerning the Group's management and its organisational, administrative, and accounting structures.

As at 31 December 2024, the Board of Directors consists of seven members. Davide Rota serves as both Chairman and CEO and is the sole executive director. He is tasked with implementing the Board's directives, particularly in matters of internal control, ensuring the effectiveness of risk management and monitoring systems. Four of the Board members are independent, representing an independence rate of 57%.

The Board also ensures appropriate gender representation: it includes three women and four men, meaning women account for 43% of the Board. Its members bring a diverse range of expertise relevant to the Group's business, geographic footprint, and target customer base. Their skillsets span telecommunications, financial and investment competence, strategic and business management, engineering knowledge, and human resources management.

The Board of Statutory Auditors is the independent control body that oversees the integrity and transparency of the Group's operations. It comprises three members: a Chair and two Statutory Auditors. As of year-end 2024, it includes one woman and two men (a 33% female representation). All members are certified public accountants and statutory auditors, with strong expertise in accounting, finance, and auditing. They have considerable experience in listed and large companies and have held significant governance roles, evidencing their deep familiarity with corporate governance matters.

The Board of Statutory Auditors operates independently and maintains an ongoing relationship with the Control and Risk Committee and the Internal Audit function. This interaction complies with the principles and application criteria set forth in Article 8 of Borsa Italiana's Corporate Governance Code, contributing to the effectiveness of the Group's internal control and risk management system.

The Internal Audit function operates independently from business line managers and performs its duties in accordance with the Code's recommendations. It reports directly to the Chairman of the Board of Directors and, from an administrative standpoint to the Chief Executive Officer.

In carrying out its duties, the Board of Directors is supported by three internal board committees:

- The Appointment and Remuneration Committee,
- The Control and Risk Committee, and
- The Related Parties Committee.

The Appointment and Remuneration Committee, composed of three independent female members, is responsible for submitting proposals and providing advice to the Board of Directors regarding the remuneration of the Chief Executive Officer and directors with specific duties. The committee may also propose appointments and determine the remuneration of senior management and other corporate functions. It assists the Board in establishing and implementing compensation plans based on shares or financial instruments and ensures the adequacy and application of the Remuneration Policy and the related annual report.

The Control and Risk Committee, also composed of three non-executive independent female members, has consultative and advisory functions with the aim of enhancing the effectiveness and strategic oversight capabilities of the Board's internal control and risk management system. Specifically, the committee supports the Board by conducting preliminary analyses and preparing the necessary documentation for evaluating and making decisions concerning internal control and risk management systems, as well as the approval of periodic financial reports.

Since May 2022, the Control and Risk Committee has also assumed the responsibilities of the Related Parties Committee, overseeing the tasks and obligations outlined in the corporate procedure governing transactions with related parties.

Composition and responsibilities of the Board of Directors:

	age	Languages	Digital TLC Technology	Finance (M&A) Risk Audit	Corporate Governance Legal	Managerial experience in other industries	Experience as a director in listed companies	International Experience
ROTA DAVIDE	>50	IT-EN	X	X		X		X
TORIELLI M. SERENA	>50	IT-EN	X					
HOLT A. THEODORE	>50	EN -IT	X	X		X		X
SQUINZI MAURIZIA	>50	IT-EN		X	X	X	X	X
TESTINO SARA	>50	IT-EN			X	X		X
DARAVIRAS NICHOLAS	>50	EN	X	X		X		X
LIBSHUTZ JEFFREY ROBERT	>50	EN -IT	X	X		X		X

	Number				
	Men	Woman	Other	Not communicated	Total
Members of the administrative, management and supervisory bodies	4	3	0	0	7
21. a) Executive members	1	0	0	0	1
21. a) Non-executive members	3	3	0	0	6
Independent Board Members	1	3	0	0	4
21. b) Members representing employees and other workers.	0	0	0	0	0
21. c) Members who have experience related to the enterprise's industries, products and geographical areas	4	3	0	0	7
	Percentage				
Members of the administrative, management and supervisory bodies	57.14%	42.86%	0.00%	0.00%	100.00%
Executive members	14.29%	0.00%	0.00%	0.00%	14.29%
Non-executive members	42.86%	42.86%	0.00%	0.00%	85.71%
21. e) Independent Board Members	14.29%	42.86%	0.00%	0.00%	57.15%

c Members representing employees and other workers	0.00%	0.00%	0.00%	0.00%	0.00%
Members who have experience related to the company's industries, products and geographic areas	57.14%	42.86%	0.00%	0.00%	100.00%
21. d) Gender diversity					75.00%

Composition and responsibilities of the Board of Statutory Auditors:

	Age	Languages	Digital TLC Technology	Finance (M&A) Risk Audit	Corporate Governance Legal	Managerial experience in other industries	Experience as a director in listed companies	International Experience
CASU RITA	>50	IT-EN	X	X				
ZECCA ANTONIO	>50	IT-EN	X	X			X	X
ZINGALES RICCARDO FRANCESCO RODOLFO	>50	IT-EN	X	X			X	X

	Number				
	Men	Women	Other	Not communicated	Total
Members of the administrative, management and supervisory bodies	2	1	0	0	3
21. a) Executive members	0	0	0	0	0
21. a) Non-executive members	2	1	0	0	3
c21. b) Members representing employees and other workers.	0	0	0	0	0
21. c) Members who have experience related to the enterprise's industries, products and geographical areas	2	1	0	0	3
	Percentage				
Members of the administrative, management and supervisory bodies	66.66%	33.34%	0.00%	0.00%	100.00%
Executive members	0.00%	0.00%	0.00%	0.00%	0.00%
Non-executive members	66.66%	33.34%	0.00%	0.00%	100.00%
Members representing employees and other workers	0.00%	0.00%	0.00%	0.00%	0.00%
Members who have experience related to the company's industries, products and geographic areas	66.66%	33.34%	0.00%	0.00%	100.00%
21. d) Gender diversity					50.00%

GOV-1, 22 a): Tessellis's sustainability governance model is based on centralized oversight and clearly defined responsibilities, ensuring the integration of ESG matters into the company's strategy, reporting, and decision-making processes. The Board of Directors holds responsibility for managing impacts, risks, and opportunities, including stakeholder-related issues, policies, targets, actions, resources, and the collection of necessary data. In fulfilling its role, the Board is supported by three internal committees with consultative, advisory, monitoring, and investigative functions: the Control and Risk Committee, the Appointment and Remuneration Committee, and the Related Parties Committee.

In the absence of a dedicated ESG Committee, these responsibilities are carried out by the Control and Risk Committee, which oversees the Group's positioning, objectives, processes, and initiatives concerning environmental, social, and governance (ESG) topics. As such, it also supervises the double materiality assessment – i.e., the analysis of ESG-related impacts, risks, and opportunities relevant to the company and forming the basis of its Sustainability Reporting.

The Board of Directors formally approves the Consolidated Sustainability Statement, following prior review and approval by the Control and Risk Committee.

The Control and Risk Committee assesses whether periodic financial and non-financial information adequately represents the company's business model, strategies, impact, and performance. In particular, it evaluates the relevance of non-financial information to the internal control and risk management system.

The Board of Statutory Auditors exchanges relevant information with the Control and Risk Committee in the performance of its duties. This interaction also supports the verification of consistency between the Sustainability Reporting and applicable regulatory requirements, strategic objectives, and corporate policies outlined in the Group's industrial plans. The Board of Statutory Auditors ensures that the Sustainability Reporting contains adequate information on the company's impacts on the environment, people, and governance, as well as on how sustainability-related risks and opportunities may influence the enterprise's financial and economic performance.

To this end, the Chair of the Board of Statutory Auditors, or another designated Statutory Auditor, participates in the activities of the Control and Risk Committee and other board committees, with the option for other Statutory Auditors to attend these meetings as well.

GOV-1, 22 b) c) d): The Internal Control and Risk Management System (ICRMS) of Tessellis plays a central role in the Group's organizational structure and involves multiple actors who operate in a coordinated manner according to their responsibilities.

Comprising rules, procedures, and organizational structures, the ICRMS is designed to identify, measure, manage, and monitor the principal risks, ensuring sound management in line with the Group's objectives and in compliance with the Tessellis Group's Code of Ethics and the principles of corporate governance.

The ICRMS is structured across three levels of control and is implemented at Group level, while accounting for the specific operational characteristics of individual entities:

- First-level control is carried out by management, which identifies, monitors, and assesses relevant impacts, risks, and opportunities, defines mitigation actions, and ensures the proper execution of operations. ESG matters are currently overseen by the Financial Statement & ESG, Project AI Reporting function, which collaborates with the Administration & Control department in identifying and assessing material sustainability-related impacts, risks, and opportunities;

- Second-level control is managed by the Finance & Corporate Affairs functions, which define, evaluate, and monitor risk assessment methodologies and support management in the definition and mitigation of risks;
- Third-level control is performed by the Internal Audit department, which independently and objectively evaluates the design and functioning of the control system, including verification activities over the first and second levels.

The Board of Directors of Tessellis guides, coordinates, monitors, and reviews corporate strategy and governance with the aim of long-term value creation. It ensures compliance with ethical principles and social responsibility as stated in the Code of Ethics and Code of Conduct, promotes a culture of integrity, transparency, and respect for human rights, and guarantees compliance with applicable regulations.

Among its key responsibilities:

- Defining the corporate governance system and Group structure;
- Setting the company's strategic direction, examining and approving strategic, industrial, financial, and sustainability plans proposed by the CEO, and periodically monitoring their implementation;
- Reviewing company and financial performance to ensure profitability and sustainability, and evaluating the performance of the Group and its strategic subsidiaries, based on information provided by the CEO and by comparing actual and forecasted results;
- Defining the ICRMS guidelines and verifying its adequacy and functioning, ensuring that the Group's principal risks – including those related to material topics – are correctly identified, monitored, and managed;
- Periodically evaluating, with the support of the Control and Risk Committee, progress against long-term strategic goals and proposing corrective actions where necessary;
- Approving, at least annually and following consultation with the Control and Risk Committee, the Internal Audit plans;
- Ensuring transparency in financial and non-financial disclosures to investors;
- Appointing the members of the Supervisory Body pursuant to Legislative Decree No. 231/2001 (hereinafter also referred to as the "SB 231"), following consultation with the Control and Risk Committee and the Board of Statutory Auditors;
- Approving the Group's Code of Ethics and Conduct and the Organizational, Management and Control Model pursuant to Legislative Decree No. 231/2001.

The CEO, the Executive Responsible for Preparing the Company’s Financial Reports, and the Sustainability Officer are each responsible for ensuring the effectiveness and functionality of the ICRMS in their respective areas, adopting a risk-based approach.

The Board of Statutory Auditors plays a key role in ensuring the effectiveness of the ICRMS, in line with the Corporate Governance Code. It receives the necessary information to perform its supervisory duties – including audit reports and periodic reports from the Internal Audit department – and has the authority to request ad hoc reports from Internal Audit on particularly significant events.

All members of the administrative, management, and supervisory bodies possess adequate expertise on business conduct matters (see Disclosure Requirement GOV-1, paragraph 21c, in this section).

GOV-1, 23 a) b): The three female Directors on Tessellis’ Control and Risk Committee bring diverse expertise and experience, ensuring comprehensive and cross-functional oversight of sustainability issues, as well as in-depth evaluation of ESG-related impacts, risks, and opportunities for the Group:

- **Maurizia Squinzi**: An expert in finance and in the operational, financial, and organizational restructuring of medium and large companies – both listed and unlisted – with a focus on corporate turnaround (including Mittel, the San Raffaele Hospital in Milan, and Poste Italiane). She has held top-level positions in general management, including as CFO (Finance, Administration, and Control) and corporate planning roles in complex industrial, service, insurance, and banking organizations. Since 1994, she has served on the Boards of Directors of listed companies, including international firms. Currently, she is an independent board member and part of the Control, Risk, and Sustainability Committee of Maire Tecnimont S.p.A., and a sustainability consultant for Illimity Bank, which she helped found in 2018.
- **Serena Torielli**: A fintech expert who began her career at JP Morgan and Goldman Sachs, where she led the sales of fixed-income products and derivatives to Italian institutional clients and headed the sales team for the insurance sector. Between 2007 and 2009, she launched the asset management business for Banca Leonardo. In 2010, she co-founded Virtual B, an Italian fintech firm specializing in data analytics, AI, and digital marketing for the banking and insurance industries, where she currently serves as CEO. She is also an independent director at WeBuild S.p.A.
- **Sara Testino**: A specialist in corporate governance and human resources, she began her career in 2004 at Linkem S.p.A. as HR & Legal Manager, later becoming Legal & Compliance Director and a member of the Supervisory Body. Since 2019, she has served as Head of Human Resources at Banijay Italia S.p.A., where she led a significant organizational and managerial restructuring, first overseeing the merger of Magnolia S.p.A. and Dry Media S.r.l., and later the integration process following the acquisition of Endemol Shine.

GOV-2 – Information Provided to the Undertaking's Administrative, Management and Supervisory Bodies and Sustainability Matters Addressed by Them

GOV-2, 26 a) b): During 2024, the Tessellis Group conducted a double materiality assessment in line with the criteria of the CSRD framework. Given the novelty of the process, the procedures for determining the frequency and methodology of oversight of material impacts, risks, and opportunities (IROs) by the Board of Directors and its relevant Committees are currently being defined.

At this initial stage, efforts have focused on laying a solid foundation for effective oversight, with the active involvement of the Board of Directors. The Board is responsible for evaluating the adequacy of and approving the list of IROs identified through the double materiality assessment.

Tessellis intends to strengthen and formalize the oversight of material IROs, ensuring increased attention from the Board and its Committees. To this end, the Group plans to implement a more structured and periodic review process, in alignment with its long-term commitment to fully integrating double materiality principles into its governance and decision-making processes.

GOV-2, 26 c): Reference should be made to ESRS 2 IRO 1 for specifics with reference to the list of significant impacts, risks, and opportunities approved by the Board of Directors during the reporting period.

GOV-3 – Integration of Sustainability Performance into Incentive Schemes

GOV-3, 29 a) e): Remuneration policy, approved by the Board of Directors on 27 May 2025 upon recommendation and prior review by the Appointments and Remuneration Committee, supports the corporate strategy, the achievement of long-term goals, and the overall success of the company. It governs the remuneration of the Chief Executive Officer, Directors with specific roles, non-executive Directors, and Key Managers. The policy aims to:

- Align the interests of top management with those of shareholders by pursuing the primary objective of sustainable value creation in the medium/long term, through a strong link between compensation and performance;
- Direct management's efforts towards the achievement of short-, medium-, and long-term goals, with a focus on Group performance;
- Attract, motivate, and retain individuals with the professional and personal qualities required to pursue business objectives and growth, by offering mid/long-term compensation packages in line with market benchmarks—thus fostering retention and encouraging team building as a foundation for long-term engagement within the Group;
- Recognise merit to appropriately value individual and collective managerial contributions.

The remuneration policy provides that non-executive Directors receive a fixed fee, determined by the Shareholders' Meeting and the Board of Directors. For Directors with specific responsibilities and Executives with strategic responsibilities, remuneration includes a fixed component, a short-term variable component, and long-term incentives aimed at supporting the achievement of specific objectives.

The level of fixed remuneration is closely tied to professional experience, organisational role, and the degree of responsibility and commitment. This component is sufficient to remunerate the Director or Executive even in the absence of variable compensation due to non-achievement of objectives.

Regarding the variable component, Tessellis adopts a Management by Objectives (MBO) system to incentivise management in meeting company targets. With the exception of the Chief Executive Officer – whose fixed/variable ratio differs – the short-term variable component for management does not exceed 30% of fixed remuneration.

The system includes a common threshold objective for all incentive beneficiaries: the Group Net EBITDA KPI. This KPI has been selected for its ability to reflect value generation across all business functions. Achieving at least 90% of the target value allows for access to the payment of individual objectives, based on their achievement.

Individual objectives fall into two categories:

1. Quantitative objectives, for which bonuses are awarded proportionally to performance (within the 90%–100% range);
2. ON/OFF objectives, which provide for a base bonus (100%) if achieved, or no bonus otherwise.

GOV-3, 29 b) c) d): 20% of the variable remuneration is linked to ESG objectives. These goals may be tailored to specific areas of activity, following the guidelines below:

- Environment: implementation of environmental policies focused on energy savings and resource efficiency;
- Social: initiatives aimed at enhancing employee engagement and promoting a positive corporate culture.

GOV-4 – Statement on the Duty of Due Diligence

GOV-4, 30, 32: For the preparation of this Sustainability Statement, the Tessellis Group carried out a tabular mapping of the information related to Due Diligence practices, although it does not currently have a formal and structured process dedicated to this activity.

The policies adopted by Tessellis in relation to ESG-related aspects and topics are detailed within the thematic ESRS chapters and include:

- The Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, which governs expected conduct in matters of corporate governance and business integrity.
- The Code of Ethics, which sets out the Group's core values of legality, transparency, fairness, and social responsibility.

The table below outlines the safeguards currently in place to mitigate the negative impacts that the Group causes or could potentially cause in the environmental, social, and governance areas.

Basic elements of due diligence	Chapter/Paragraph reference
a) Integrate due diligence into governance, strategy, and business model	ESRS 2 – General Disclosures | GOV-1 – Role of the Administrative, Management and Supervisory Bodies ESRS 2 – General Disclosures | GOV-2 – Information Provided to the Undertaking's Administrative, Management and Supervisory Bodies and Sustainability Matters Addressed by Them ESRS 2 – General Disclosures | SBM-1 – Strategy, Business Model and Value Chain
b) Involve stakeholders in all key phases of the due diligence duty	ESRS 2 – General Disclosures | SBM-2 – Stakeholders' Interests And Views ESRS 2 – General Disclosures | IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities ESRS S1 – Own Workforce | Processes for engaging with own workforce and workers' representatives regarding impacts ESRS S3 – Affected Communities | Processes for engaging with affected communities regarding impacts ESRS S4 – Consumers and End-users | Processes for engaging with consumers and end-users regarding impacts
(c) Identify and assess negative impacts	ESRS 2 – General Disclosures | SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model ESRS 2 – General Disclosures | IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities
(d) Take action to address negative impacts.	ESRS E5 – Actions and resources in relation to resource use and circular economy ESRS S1 – Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities in relation to own workforce, and effectiveness of those actions ESRS S4 – Taking action on material impacts on consumers and end-users and approaches to managing material risks and pursuing material opportunities in relation to consumers and end-users, and effectiveness of those actions
(e) Monitor the effectiveness of interventions and communicate	ESRS E1 – Targets related to climate change mitigation and adaptation ESRS E5 – Targets related to resource use and circular economy ESRS S1 – Targets related to managing material negative impacts, enhancing positive impacts, and managing material risks and opportunities in relation to own workforce ESRS S4 – Targets related to managing material negative impacts, enhancing positive impacts, and managing material risks and opportunities in relation to consumers and end-users

GOV-5 – Risk management and internal controls over sustainability reporting

GOV-5 36 a) b) d) e): The Group has implemented an internal control system for sustainability reporting, integrated with the system already in place for financial reporting. Risk management and monitoring of sustainability disclosures are structured through a two-level assessment process.

At the overall corporate level, the focus is on risks related to the potential inefficiency of the information tools used to collect and manage non-financial data, including risks of incompleteness or misalignment with recognised sustainability reporting standards. At the process level, risks related to sustainability disclosures – such as inaccuracies, omissions, timing misstatements, or the under/overestimation of environmental and social impacts – are analysed in relation to specific indicators and parameters adopted. To mitigate such risks, control objectives are identified to ensure the consistency and reliability of the reported information.

The Board of Directors is responsible for overseeing the internal control system, ensuring that the Group's main risks, including those related to sustainability, are properly identified and managed. The Control and Risk Committee plays a central role in monitoring the governance of the internal control system by periodically reviewing the activities carried out and the related reporting. The CEO, acting as Chief Executive Officer, operationally implements the guidance of the Board of Directors, ensuring the integration of sustainability data controls into business processes. The Head of Internal Audit ensures independent monitoring of the effectiveness of adopted controls and reports periodically to the Board of Directors, the Control and Risk Committee, and the Board of Statutory Auditors.

Specifically, the CEO has implemented a periodic risk assessment system, carried out by Management with the operational support of Internal Audit, which includes risk identification, qualitative assessment, and definition of risk responses. This analysis is submitted semi-annually to the Internal Control and Risk Committee.

Although the Group does not currently have a dedicated formalised internal control system for sustainability, it is committed to progressively improving ESG data governance and quality, adopting control principles aligned with those applied to financial reporting. In this context, the Group has launched a process to strengthen its reporting system, and is evaluating the introduction of digital tools to optimise the collection, processing, and verification of information. The goal is to increase the accuracy and traceability of ESG data, while improving the transparency and reliability of the disclosures provided.

GOV-5 36 c): For further details on the sustainability risks identified as material for the Group, please refer to paragraph IRO-1 and to the individual sections of this document for the mitigation actions undertaken.

• Strategy

SBM-1 – Strategy, Business Model and Value Chain

SBM-1, 40 a) i: The Tessellis Group is a digital company with one of the most extensive fibre coverage networks in Italy. The Group's main operating company is Tiscali Italia S.p.A., a national operator and one of the top players in the Ultrabroadband segment, focused on the most innovative and promising technologies: 5G Fixed Wireless Access (FWA) and Fiber To The Home (FTTH).

The Group's activities are structured across three main business areas:

- **Telco**: The Telco division provides fixed (Ultrabroadband and Fixed Wireless) and mobile services for households, businesses, and public administrations, through the Tiscali and Linkem brands. Tessellis operates exclusively in the Italian market and has agreements in place with all major wholesale fibre and 5G service providers.

  In particular, Tiscali Italia S.p.A. was among the first operators to offer FTTH services with speeds of up to 1 Gigabit per second, targeting citizens and businesses in digitally underserved areas. The company currently provides Ultrabroadband services to approximately 29 million residential and business units, of which 10 million are covered with FTTH technology.

  Moreover, Tiscali Italia S.p.A. has expanded the marketing of FWA and 5G FWA services over the Opnet network, with speeds of up to 100 Megabits per second, extending its Ultrabroadband connectivity reach to a potential market of 17 million users.

- **Media & Tech**: The Media & Tech division offers three types of services:

  1. **Web portals**, including Tiscali News, one of the most prominent online news outlets in Italy. The daily editorial production exceeds 500 pieces of content, including articles, videos, and photo galleries, feeding a diverse portfolio of vertical digital publications. These include Gamesurf (focused on gaming and entertainment) and Milleunadonna (targeting a female audience).
  2. **Digital platforms**, focused on user services. The most notable is the email service, which also gives users access to informational content and other Group services. Other platforms include Tiscali Shopping and Tagliacosti. The former is a marketplace that integrates e-commerce functionality with editorial content on entrepreneurial stories behind the products offered, while the latter is a price comparison platform, developed in collaboration with other websites, that offers advantageous deals for energy and insurance services.
  3. **Advertising space sales** managed by Veesible, Tessellis' in-house advertising agency, which drives online ad investments for the Group and its partners using advanced technology solutions.

- **Future Commodities**: The Future Commodities division provides vertical platforms and services, including smart city services for families, businesses, and public institutions. Future Commodities is Tessellis' innovation program, designed to drive the digital transformation of companies and public administrations through partnerships with innovative start-ups, research centres, and industrial partners.

SBM-1, 40 a) ii, iii: The Tessellis Group is positioned as a leader in the fixed telecommunications market. As a Smart Telco, it boasts one of the most extensive fibre coverage networks in Italy, offering advanced connectivity services to both private and business customers.

The Group operates primarily within Italian territory, employing 1,097 people across its various locations, with a widespread presence that includes both major metropolitan areas and more peripheral, less densely populated regions. Leveraging FTTH (Fiber To The Home) and FWA (Fixed Wireless Access) technologies, Tessellis delivers Ultrabroadband connections to approximately 29 million households and businesses, with around 10 million served directly with fibre-to-the-home.

Particular focus is placed on areas C and D of the country – those less served by traditional operators – where the Group has played a key role in expanding access to high-speed broadband. Through this strategy, Tessellis actively contributes to bridging the digital divide, ensuring efficient and reliable connectivity even in the most remote parts of the country.

The key markets in which the Tessellis Group operates include:

- Retail (B2C) fixed broadband and ultrabroadband services
- Business (B2B) fixed broadband and ultrabroadband services
- Mobile services
- Online advertising.

SBM-1, 40 d): Tessellis also declares that it does not operate in the fossil fuel sector (coal, oil, and gas), meaning it does not generate revenue from the exploration, extraction, production, processing, storage, refining, or distribution – including transport, storage, and trading – of fossil fuels as defined in Article 2, point 62, of Regulation (EU) 2018/1999 of the European Parliament and of the Council. Furthermore, the Group does not operate in the chemical manufacturing sector (falling under division 20.2 of Annex I to Regulation (EC) No 1893/2006), in the controversial weapons sector (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons), or in the cultivation and production of tobacco.

SBM-1, 40 e) f) g): The Tessellis Group integrates sustainability into its corporate strategy with a specific focus on social aspects, in alignment with its mission to ensure equitable and inclusive access to digital life. The Group's main objectives aim to reduce the digital divide by expanding network coverage and the availability of ultra-fast connectivity in underserved areas and for vulnerable customer groups, such as small and medium-sized enterprises and local communities.

Tessellis is committed to making technology a driver of inclusive development, supporting the economic, cultural, and social growth of groups often excluded from digital progress. The goal is to make connectivity not just a service, but an enabler for education, employment, and entrepreneurship. The company focuses on increasing the accessibility of its products and services for customer segments at risk of digital exclusion, such as small businesses and rural areas.

The integration of social sustainability into the Group's strategy represents a strategic priority, becoming a driver of growth and differentiation. Tessellis aims to combine technological innovation with social responsibility, creating long-term value for customers, employees, and local communities. This approach entails the continuous improvement of the communications network with solutions that address inclusivity needs and the creation of an ecosystem that promotes broad participation in digitalisation.

Tessellis's objective is mainly achieved through the expansion of Ultrabroadband technologies such as FWA (Fixed Wireless Access) and FTTH (Fiber To The Home), which allow high-speed connectivity to be delivered even to hard-to-reach areas. Thanks to these technologies, the Group can offer more efficient solutions tailored to the diverse needs of both consumer and business customers.

The adoption of these technologies has led to a significant increase in Ultrabroadband access, which reached 16.87 million in March 2024, marking a 4.5% year-on-year growth. This highlights the Group's ability to expand its network and improve access to ultra-fast connectivity services, especially in underserved areas. The growing market share in the FTTH segment – currently the fastest-growing – alongside Tessellis's position as the third-largest operator in the FWA segment (with a 17.8% share), reflects the success of the technologies adopted in achieving the goal of network expansion. Additionally, the steady decline in traditional DSL lines, with a 21.4% decrease, reflects the shift towards more modern and high-performing technologies aligned with the digitalisation needs of less connected regions.

SBM-1, 42 a): In communicating information related to its business model and value chain, the Tessellis Group considers the key elements that define its operations, including core activities, strategic resources such as network infrastructure and data centres, and the channels through which it reaches different customer segments.

The dynamics of commercial relationships are also taken into account – specifically, the main connections established with both suppliers and customers.

To guide strategic and operational decisions, the following information is considered essential:

- Information about the external environment, such as analysis of the reference market, competitors, and sector trends.
- Customer opinions and feedback.
- Reports and key performance indicators relating to the company's performance.
- Legal requirements and applicable standards.

SBM-1,42 b), c): The **business model of the Tessellis Group** spans the entire value chain, integrating activities and expertise that range from the provision of technological infrastructure to the delivery of advanced digital services for households, businesses, and public administration. The Group positions itself as an enabler of the country's digital transformation, placing the interconnection between networks, content, and advanced technological solutions at the core of its strategy.

At the **upstream end of the value chain**, the Group relies on a well-established network of technological and infrastructure partners. These include wholesale network service providers – such as wholesale operators – and other infrastructure-based operators that ensure nationwide access to FTTH and FWA technologies. This part of the supply chain also includes hardware and software license suppliers, companies specializing in integrated ICT solutions, as well as subcontractors dedicated to network maintenance and the installation of terminals at customers' homes and offices. Logistics activities are outsourced to external operators to ensure widespread distribution of devices.

At the centre of the model are the **Group's core activities**, which include network management and the provision of connectivity services through the Tiscali and Linkem brands. These are complemented by the production and distribution of digital content through news portals, editorial and advertising activities carried out by the internal media agency, and the development of vertical digital solutions for businesses and public administrations. Research and innovation also play a key role, with investments in areas such as generative artificial intelligence and digital platforms applied to strategic sectors.

For customers, the main advantages include greater choice and flexibility in the connectivity offering – designed to meet diverse needs – improved social inclusion, and a reduction in inequalities.

For investors, the primary benefits are financial in nature, including revenue growth, return on investment (ROI), and EBIT, as well as a solid competitive positioning supported by investments in innovation.

At the downstream end of the value chain, the Group serves a broad range of recipients: households, small and medium-sized enterprises, large corporations, and public administrations, both local and national. Services and solutions are delivered through a diversified commercial network that includes dealers, physical retail outlets, and digital channels. Logistics and installation are supported by specialized companies, while additional market segments are reached through strategic partnerships with institutional, technological, and academic players.

SBM-2 – Stakeholders' Interests And Views

SBM-2, 45 a) i, ii, iii: The key stakeholders of the Tessellis Group include both internal and external parties that contribute to value creation and for whom the Company itself generates value. The Group has carried out a stakeholder mapping process – in line with the principles of the ESRS (European Sustainability Reporting Standards) – with the aim of better understanding their expectations and updating the "Double Materiality" analysis. The main stakeholders of the Tessellis Group are:

- Customers
- Employees
- Suppliers
- Public Administration and Institutions
- Communities
- Shareholders and the financial community.

Stakeholder category	Subjects	Ways of involvement and communication
Clients	Customers and Consumer Associations	Internet Channels, Social Channels, Customer Satisfaction Surveys

Employees	Employees, Collaborators and Trade Union Associations	Corporate intranet, Performance evaluation, Internal climate surveys.
Suppliers	Suppliers of goods, products and services, Subcontractors and Sales Network	Code of Ethics
Public administration and institutions	Public Administration, Regulatory Bodies (Authorities, Privacy, Antitrust), National and Local Government Institution, Judiciary, Judicial Authority Bodies	Public consultations and working tables
Community as a whole	Local Communities, Universities and Research Centres, Media and Opinion Leaders	Area and community-based initiatives, participation in working groups organized by trade associations, collaborations with schools and universities
Shareholders and the financial community	Shareholders, Banks, Investors, Financial Analysts, Rating Agencies	Engagement Policy, Press releases, Periodic communication related to corporate management

SBM-2, 45 a) iv, v: Stakeholder engagement represents an important part of the sustainability due diligence process; in fact, ongoing dialogue with these parties guides strategic decisions and day-to-day operations in areas such as employee training and development, diversity, equity and inclusion initiatives, sustainability efforts, procurement practices, and strategic partnerships.

SBM-2, 45 b): Tessellis aims to stay informed and take action on the opportunities and risks identified through engagement and dialogue with key stakeholders: their views and interests are regularly discussed internally by the relevant departments and business units. For further details on the interests and views of the Group's main stakeholders, please refer to sections IRO-1 and IRO-2, presented below on pages 219-229.

SBM-2, 45 c): Since 2022, Tessellis has become the leading Italian operator in the ultrabroadband access segment for FWA and FTTH technologies, consolidating its position in the telecommunications market and responding to the growing demand for high-quality connectivity. Starting in 2023 and continuing throughout 2024, the Group's strategy has focused on expanding ultrabroadband coverage and growing its mobile market share, with the goal of offering customers diversified solutions tailored to their needs, both in the consumer and business segments. The integration of these technologies and the expansion of the network directly address users' expectations, placing their increasing demand for fast and secure connectivity at the heart of the initiative.

SBM-2, 45 d): The Board of Directors of Tessellis periodically receives a report on the activities carried out concerning sustainability matters and stakeholder engagement initiatives.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model

SBM-3, 48 a): Following the Double Materiality process described in paragraph IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities, the following material impacts, risks and opportunities (IROs) have been identified. Specifically, the table below provides a description of each item along with its location (i.e. within the Group's own operations, or upstream/downstream in the value chain).

Please refer to the IRO table in the appendix of this document for a detailed overview.

SBM-3, 48 b): In carrying out its activities and managing relationships with stakeholders, the Tessellis Group adopts the most appropriate operational practices to manage impacts and risks, through the Code of Ethics and Organisational, Management and Control Model pursuant to Legislative Decree No. 231, which will be discussed in later chapters.

Furthermore, with a view to increasingly effective management of IROs, the Group is working on the adoption of specific policies, aligned with industry best practices, aimed at mitigating the risks identified.

SBM-3, 48, c): The IROs generated and/or present along the value chain are assessed based on their impact – whether actual or potential – on people and the environment, with associated risks and opportunities assigned accordingly. Actual impacts refer to the short-term time horizon, while potential impacts are considered over the medium term. For further details, please refer to the table under point SBM-3, 48 a).

SBM-3, 48, d), e): As indicated in the chapter "BP-2 – Disclosures in relation to specific circumstances," the Tessellis Group applies the transitional provisions set out in the regulations with regard to disclosures on the future financial effects of material risks and opportunities. The following table refers to the current financial effects.

ESRS Topical Standard	Risk / Opportunity	IRO Description	Time horizon	Scope	Considerations made	Notes to the Financial Statements – Disclosure Current Financial Effects
E1-Climate change	Risk	Physical climate change hazards affecting the Group's offices and sites, in particular rising temperatures and sea levels, which could damage production facilities and cause temporary or permanent disruptions to business operations, impacting costs and assets.	Short	Upstream operations	This risk does not generate financial effects for the company, as it concerns force majeure events. The company provides services for which this topic does not have financial impacts. The only assets potentially affected in the production process by climate-related effects are the data centres.	With regard to current effects, the financial materiality assessment did not identify any current impacts related to the risk.
	Risk	Risks associated with the transition to a low-carbon economy, which require compliance with new laws and regulations and may impact the Group's costs and revenues.	Short	Operations	The company operates in alignment with the global transition toward a low-carbon economy. The policies and procedures implemented in its offices are aimed at mitigating climate-related risks. During the financial year, a new lease agreement was signed for the Rome headquarters of Tiscali Italia S.p.A., which includes conditions aimed at: • Promoting the mitigation of climate change effects by reducing energy consumption and CO_2 emissions and encouraging responsible resource use; • Monitoring the environmental performance of the buildings and raising awareness about the use of renewable energy sources; • Encouraging responsible waste management by promoting waste separation and recycling;	With regard to current effects, the financial materiality assessment did not reveal any present impacts associated with the risk.
	Risk	Risk of rising costs related to energy procurement, including increases in the price of energy from non-renewable sources such as oil and natural	Short			

		gas, also driven by evolving international, geopolitical, and macroeconomic conditions, with direct effects on operations.			• Fostering the social well-being of individuals working in the building, including through jointly developed general guidelines aimed at improving environmental performance and educating and engaging building users; • Encouraging third parties involved in managing the building and/or leased spaces to adhere to the Well Policy.	
S1-Own Workforce	Risk	Risk related to the theft of sensitive data and information and its subsequent disclosure, causing reputational damage or business continuity issues, as well as potential legal sanctions.	Short	Operations	Employee data, such as personal information and payment methods, can only be modified by the individuals themselves and are securely recorded in the Zucchetti portal. Each employee accesses their personal area exclusively through personal credentials. Employees do not have access to such information unless they are part of the HR department, which in any case cannot modify sensitive elements such as IBAN, vacation days, etc.	With regard to current effects, no current impacts of the risk emerged in the context of the financial materiality assessment.
S4-Consumers and end users	Risk	Risk of economic repercussions due to breaches of IT platforms resulting from inefficient protection systems, potentially leading to sanctions and reputational damage caused by the leakage of customers' sensitive data.	Short	Operations	To mitigate the risks of cyberattacks on the IT infrastructure, the Company adopted a cyber threat monitoring and prevention solution as early as 2022. In 2023, a Cybersecurity Operations Centre (SOC) was established with the objective of actively monitoring the Company's security posture. The SOC has worked closely with HWG Sababa in overseeing the XDR platform, responding promptly to alerts to identify their origin and implement corrective measures. The Group not only monitors and prevents external cyberattacks that could negatively impact customer data but also applies internal segregation of duties (SOD) systems, ensuring that sensitive data can be accessed and processed exclusively by authorized employees.	With regard to current effects, no immediate financial impacts of the risk have emerged based on the materiality assessment.
	Risk	Violation of current telemarketing and teleselling regulations may entail reputational risks, customer loss, and the imposition of penalties.	Short	Operations	Customer relationships are managed by the Customer Care team, which oversees client acquisition, complaint handling, service disruptions, maintenance ticket management, and more. All calls are recorded, and no legal disputes have ever arisen in connection with these activities.	With regard to current effects, no current financial impacts of the risk emerged as part of the materiality assessment.
G1-Conduct of enterprises	Risk	Risk related to loss of supplier trust due to delays in payment terms, potentially resulting in increased costs caused by inefficiencies stemming from service delivery delays.	Short	Upstream Operations Downstream	An analysis conducted on the supplier payment terms implemented by the Company did not reveal any exceptions. The Company adopts a prioritization policy whereby payments are first made to employees, banks, social security institutions, and key suppliers such as TIM, Open Fiber, Fibercoop, and Fastweb. No delays in payments or outstanding amounts have been identified that could indicate anomalies.	With regard to current effects, the financial materiality assessment did not reveal any current impacts related to this risk.
	Risk	Inadequate internal procedures and training programs aimed at preventing corrupt practices and other regulatory violations may result in fines, sanctions, and reputational damage.	Short	Upstream Operations Downstream	There is not expected to be any effect during the fiscal year.	With regard to current effects, the financial materiality assessment did not identify any current impacts of the risk.
E1-Climate change	Opportunities	Opportunity to contribute to CO_2 reduction through the optimisation of the company car fleet, by decreasing the share of diesel-powered	Short	Upstream Operations Downstream	The Group has several car leasing contracts in place, approximately 63% of which refer to vehicles with environmentally friendly powertrains. Around 87% of the cars purchased during the year meet this requirement. These figures were calculated by considering leasing contracts for hybrid, electric, or	With regard to current effects, no current financial impacts of the risk have emerged as part of the materiality assessment.

		vehicles in favour of hybrid/electric vehicles.			biofuel-powered vehicles either active or signed during 2024, and comparing them to the total number of active car leasing contracts as of 31 December 2024.	
	Opportunities	The Group is currently assessing opportunities to increase its share of self-produced electricity. This would improve energy autonomy and reduce exposure to price volatility and supply risks related to energy resources, ultimately leading to lower operating costs. However, with regard to current effects, no significant financial impacts have been identified as part of the materiality assessment.	Short	Operations	The Group implements energy-saving policies aimed at reducing consumption from non-renewable sources through the use of photovoltaic systems. In 2024, energy production from renewable sources amounted to 542.06 MWh, marking a decrease compared to the previous period.	With regard to current effects, no current financial impacts of the risk were identified in the context of the financial materiality assessment.
E5- Resource use and circular economy	Opportunities	Strengthening of the Group's image and alignment with consumer expectations through the adoption of circular economy initiatives, with positive effects on the economic dimension thanks to increased revenues from the reintroduction of refurbished devices into the market, in addition to reputational benefits.	Short	Operations Downstream	Since 2023, the Group has adhered to the Ex Smuraglia Law by entrusting inmates with the refurbishment of modems disconnected by customers before their reactivation for new users. This practice provides reputational benefits and enables the company to reduce costs by reusing refurbished equipment.	With reference to current effects, the financial materiality assessment did not reveal any current impacts of the risk.
S1- Own workforce	Opportunities	Increase in talent attractiveness and, consequently, their productivity thanks to the establishment of a positive corporate climate generated through initiatives that promote each individual's uniqueness, resulting in positive impacts on the Group's economic and financial performance.	Short	Operations	The Group pursues continuous training policies, and every employee is encouraged to propose any initiative aimed at improving their own well-being.	With regard to current effects, the financial materiality assessment did not reveal any current impacts of the risk.
	Opportunities	The Group continues to invest in training and development programmes aimed at strengthening both soft and hard skills. These initiatives are designed to enhance employee capabilities, increase engagement and foster a culture of continuous improvement. The strategic focus on talent development supports the Group's attractiveness as an employer and contributes to higher workforce productivity, ultimately generating positive impacts on business performance.	Short	Operations	The Group pursues continuous training policies covering both soft and hard skills. Given the high cyber risk typical of the industry, a specialised training platform has been implemented – with the support of HWG Sababa – to mitigate risks related to cyberattacks, such as phishing.	With regard to current effects, the financial materiality assessment did not identify any current impacts related to the risk.

G1-Conduct of enterprises	Opportunities	Opportunity to play a significant role in regulatory and industrial development through communication and interaction with governments and local institutions, generating benefits in terms of enhanced corporate reputation and increased Group competitiveness.	Short	Upstream Operations Downstream	The Group serves as a point of reference for local communities and institutions, also providing connectivity services and consulting for the development of IT infrastructure for public administrations.	With regard to current effects, the financial materiality assessment did not identify any current impacts of the risk.
	Opportunities	Increase in the quality of services provided by suppliers due to the Group's responsible management of relationships, resulting in positive impacts on productivity and operational efficiency, with favourable economic and financial consequences.	Short	Upstream Operations Downstream	Relationships with suppliers are constantly monitored, both from an operational and financial standpoint. Given the nature of the business, the company works in close partnership and collaboration with suppliers such as Tim, Fastweb, and Open Fiber for installations and routine maintenance operations.	With reference to current effects, no current impacts of the risk emerged within the scope of the financial materiality assessment.

SBM-3, 48, f): Although a specific analysis on the resilience of the Group's strategy and business model in relation to impacts, risks and opportunities has not yet been conducted, as part of its risk management activities Tessellis has assessed the resilience of its strategy and business model with respect to climate change, analysing both qualitative and quantitative aspects over various time horizons. The results of the analysis, which confirm the soundness of the model, are described in the chapter "ESRS E1 – Climate Change" and in paragraph "ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model."

SBM-3, 48 g): As this is the first year in which the Double Materiality Analysis has been used to define impacts, risks and opportunities, it is not possible to make a comparison with the previous analysis carried out according to the GRI standards.

- **Management of impacts, risks and opportunities**

IRO-1 – Description of the processes to identify and assess relevant impacts, risks and opportunities

IRO-1, 53 h): In 2024, the Tessellis Group carried out the double materiality assessment process, adopting a methodology aligned with the guidance set out in the "EFRAG IG 1 – Materiality Assessment Implementation Guidance" published by EFRAG in May 2024.

The concept of "double materiality" aims to bridge the gap between "financial materiality" and "impact materiality": this integrated approach recognises the added value of assessing material issues through a combined "outside-in" and "inside-out" perspective, in order to determine the material impacts, risks and opportunities (IROs) to be disclosed. Specifically:

- "Impact materiality" considers the significance of sustainability matters in terms of the impacts generated (positive and negative, actual and potential) on the economy, the environment, and people – including impacts on human rights – stemming from the company's operations and its upstream and downstream value chain;

- "Financial materiality" assesses the risks and opportunities related to sustainability aspects that have, or may have in the future, a material influence on the company's development, financial position, operating results, cash flows, access to funding or cost of capital in the short, medium or long term.

In 2024, Tessellis undertook the double materiality process for the first time in alignment with the CSRD, which introduced a higher level of complexity and detail, particularly regarding financial materiality as defined by the ESRS requirements. Therefore, it is not possible to compare this analysis with the one performed in the previous reporting period, which was based on different approaches and compliant with GRI standards.

The double materiality assessment will be reviewed and updated annually, based on best practices and in response to various factors that affect both the company and the external environment. These include regulatory changes, such as the introduction of new sustainability and governance laws and regulations, which may require adjustments to the assessment to ensure full legal compliance.

Moreover, changes in Tessellis' corporate strategy or business model may require a revision of the assessment to reflect updated objectives. Likewise, the identification of new ESG-related risks and opportunities will trigger updates to ensure the Group can respond effectively.

IRO-1, 53 a) g): To ensure a thorough and accurate assessment, the Tessellis Group adopted a structured methodological approach that takes into account the various dimensions of impacts, risks and opportunities. In order to better define and understand the context in which the organisation operates, both internal and external analyses were conducted, including:

- An analysis of the ESG context in which the organisation operates,
- An analysis of the company's business and its commercial relationships.

This phase also included a stakeholder mapping process, aimed at gaining a deeper understanding of stakeholder perceptions and expectations, as well as identifying the most appropriate engagement methodology.

Subsequently, Tessellis reviewed the list of topics set out in ESRS 1 AR 16, reconciling topics, sub-topics and sub-sub-topics with the results of the context analysis. Based on this, a long list of impacts, risks and opportunities (IROs) was defined in relation to the potentially material topics, sub-topics and sub-sub-topics for the Group.

For the identification of IROs, the Group analysed its previous years' Annual Reports and Sustainability Reports, as well as Tessellis Group's ESG policies.

At the same time, a regulatory review was carried out, including an in-depth analysis of national and international developments, in order to identify potential obligations and opportunities arising from emerging sustainability-related issues.

IRO-1, 53 b) ii: The impact materiality process enabled the identification, analysis and assessment of the significant impacts generated by the Group's business in environmental, social and governance terms. The mapping of impacts was carried out based on information already available within the organisation and through benchmark analysis.

In addition to classifying the impacts by their nature (positive/negative) and type (actual/potential), the areas along the value chain where the impact is generated were also identified, distinguishing between own operations and upstream and/or downstream activities.

IRO-1, 53 b) i: The impacts are concentrated on specific activities and the commercial relationships of Tessellis. With regard to the metrics adopted for the assessment of negative impacts, consideration is given to any environmental damage or harm to the health and safety of customers, workers, and local communities, as well as the deterioration of working conditions resulting in human rights violations.

IRO-1, 53 b) iii, iv: The assessment of impact materiality was carried out through the involvement of an internal working group and the heads of key ESG-related functions. Participants were asked to evaluate the ESG impacts generated by the Group, using specific metrics defined on a 1-to-5 scale. Specifically:

- For current negative impacts, the severity was assessed, defined by scale, scope, and irremediability;
- For current positive impacts, the benefit of the impact was assessed, defined by scale and scope;
- For potential impacts, in addition to severity or benefit, the probability of occurrence was evaluated.

Furthermore, the impacts identified for each topic were submitted for evaluation by external stakeholders. In particular, an online survey was sent to the Group's main external stakeholders, in accordance with the Implementation Guidelines on Materiality Assessment. For current impacts, only severity/benefit was assessed, while for potential impacts, both severity/benefit and the probability of occurrence were evaluated.

The assessments provided by external stakeholders and the internal working group were integrated to determine the results of the impact relevance.

IRO-1, 53 c) i: In parallel, the financial materiality assessment process was carried out through dedicated meetings with the Risk Owners, that is, the heads of the various business areas.

During the identification phase, the Tessellis Group considered the dependencies that its impacts generate on resources (water, air, soil) and business relationships (employees, customers, suppliers). This analysis served as the starting point for examining the connections between negative and positive impacts and the related risks and opportunities.

IRO-1, 53 c) ii, iii: The Risk Owners of the Tessellis Group assessed the magnitude of risks and opportunities and their respective likelihood, considering that both risks and opportunities may have financial effects on the Group's performance and financial position. Therefore, for each risk/opportunity, the financial impact and probability over the short, medium, and long term were rated using predefined metrics on a scale from 1 to 5.

The financial impact of risks and opportunities was assessed based on EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization). The Group chose this indicator because of its relative stability over time – which supports comparability – and because it is already used to evaluate the achievement of other corporate objectives. Moreover, this indicator offers a clear measure of the Company's ability to generate cash flows from its operating activities, providing a solid basis for analysing and monitoring the financial effects arising from business-related risks and opportunities.

The results from the impact materiality and financial materiality assessments were carefully processed to identify the sustainability matters material to the Group.

To determine which information to disclose, a materiality assessment was conducted by establishing thresholds. Based on the resulting scores, impacts, risks, and opportunities were prioritised. Subsequently, all topics, sub-topics, and sub-sub-topics deemed material were further analysed to define the final scope of the Sustainability Disclosure.

IRO-1, 53 d): The internal working group and the ESG function managers adopted a structured, control-focused decision-making process to strengthen the robustness of the analysis and ensure its compliance with the ESRS standards. Specifically, a consistency analysis was carried out between the topics identified during the context analysis and the list of potentially relevant IROs for Tessellis.

IRO-1, 53 e), f): The process of identifying, assessing, and managing Impacts, Risks, and Opportunities (IRO) is integrated into the broader management system of the Tessellis Group, enabling a structured and in-depth analysis that encompasses both economic-financial dimensions and ESG aspects. This approach ensures a comprehensive and consistent view of the factors that may influence the company's strategy, supporting a proactive and informed management of emerging challenges and opportunities. In this context, the Group aims to strengthen the resilience of its business model, ensuring that strategic decisions are aligned with sustainability objectives and long-term value creation.

IRO-2 – Disclosure Requirements of the ESRS included in the company's sustainability statement

IRO-2, 56: Below is the table from Appendix B of ESRS 2 – General Disclosures, which includes the list of information requirements from the cross-cutting and topical standards derived from other European Union legislative acts.

The table from Appendix C of ESRS 2 – containing the disclosure requirements and application guidelines from topical ESRS that are to be applied together with ESRS 2, including page numbers and paragraph references related to the material sustainability matters – is presented at the beginning of this document.

Appendix B of ESRS 2 – List of Disclosure Requirements Arising from Cross-cutting and Topical Standards Derived from Other EU Legislative Acts.

Duty of disclosure and corresponding information element	SFDR* Reference	Pillar 3* Reference	Benchmark Regulation[8] Reference	EU climate normative reference*	Not relevant
ESRS 2 GOV-1 Gender diversity in the administrative, management and supervisory bodies, paragraph 21, letter (d)	Annex I, table 1, indicator no. 13		Commission Delegated Regulation (EU) 2020/1816 (16), Annex II		
ESRS 2 GOV-1 Percentage of independent board members paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 GOV-4 Statement on Duty of Care, paragraph 30	Annex I, table 3, indicator no. 10				
ESRS 2 SBM-1 Involving activities in related to fossil fuel activities, paragraph 40(d)(i)	Annex I, table 1, indicator no. 4	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 (17), Table 1 - Qualitative environmental risk information and Table 2 - Qualitative social risk information	Commission Delegated Regulation (EU) 2020/1816, Annex II		NOT RELEVANT
ESRS 2 SBM-1 Involvement of activities in related to the production of chemicals, paragraph 40(d)(ii)	Annex I, table 2, indicator no. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		NOT RELEVANT
ESRS 2 SBM-1 Participation in controversial weapons-related activities, paragraph 40(d)(iii)	Annex I, table 1, indicator no. 14		Article 12(1) of Delegated Regulation (EU) 2020/ 1818 (18) and Annex II of Delegated Regulation (EU) 2020/1816		NOT RELEVANT
ESRS 2 SBM-1 Involving activities in related to tobacco cultivation and production, paragraph 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/ 1818 and Annex II of Delegated Regulation (EU) 2020/1816		NOT RELEVANT
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	
ESRS E1-1 Firms excluded from benchmark indexes aligned with the		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing	Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818		

[8] *Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, June 29, 2016, paragraph 1)*

Paris Agreement, paragraph 16(g)		Regulation (EU) 2022/2453, Model 1: Banking Portfolio - Indicators of Potential Transition Risk Related to Climate Change: Credit Quality of Exposures by Sector, Emissions, and Remaining Duration			
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, table 2, indicator no. 4	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio - Indicators of potential climate change-related transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (high climate impact sectors only), paragraph 38	Annex I, table 1, indicator annex no. 5 and I, table 2, indicator no. 5				UNACCOUNTED
ESRS E1-5 Energy consumption and energy mix paragraph 37	Annex I, Table 1, indicator No. 5				
ESRS E1-5 Energy intensity associated with activities in high-impact climate sectors, paragraphs 40 to 43	Annex I, table 1, indicator no. 6				UNACCOUNTED
ESRS E1-6 Gross scope 1, 2, 3 and total GHG emissions, paragraph 44	Annex I, Table 1, indicators nos. 1 and 2	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking Portfolio - Indicators of Potential Climate Change Transition Risk con-ness: Credit quality of exposures by sector, emissions and remaining maturity	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	Annex I, table 1, indicator no. 3	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio - Indicators of potential climate change-related transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		

ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	UNACCOUNTED
ESRS E1-9 Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Delegated Regulation II of (EU) 2020/1816		Phase-in
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant physical risk assets relevant paragraph, 66(c)		Article 449a of Regulation (EU) No. 575/2013; Paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking portfolio - Indicators of potential physical risk related to climate change: exposures subject to physical risk			Phase-in
ESRS E1-9 Breakdown of book value of its real estate assets by energy efficiency classes paragraph 67(c)		Article 449a of Regulation (EU) No. 575/2013; Paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking Portfolio - Indicators of potential climate change-related transition risk: asset-backed real estate loans - Energy efficiency of collateral			Phase-in
ESRS E1-9 Degree of exposure of opportunity portfolio to climate-related paragraph 69			Annex II of Delegated Regulation (EU) 2020/1818		Phase-in
ESRS E2-4 Pollutant amount of each listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted to air to water and soil, paragraph 28	Annex I, Table 1, indicator No. 8; Annex I, Table 2, indicator No. 2; Annex 1, Table 2, indicator No. 1; Annex I, Table 2, indicator No. 3				NOT RELEVANT
ESRS E3-1 Marine Waters and Marine Resources, paragraph 9	Annex I, table 2, indicator no. 7				NOT RELEVANT
ESRS E3-1 Dedicated Policy, paragraph 13	Annex I, table 2, indicator no. 8				NOT RELEVANT
ESRS E3-1 Sustainability of the oceans and seas, paragraph 14	Annex I, table 2, indicator no. 12				NOT RELEVANT
ESRS E3-4 Total recycled and reused water, para. 28(c)	Annex I, table 2, indicator no. 6.2				NOT RELEVANT
ESRS E3-4 Total water consumption in m3 versus	Annex I, table 2, indicator no. 6.1				NOT RELEVANT

net revenues from own operations, paragraph 29					
ESRS 2 SBM-3 - E4 paragraph 16(a)(i)	Annex I, table 1, indicator no. 7				NOT RELEVANT
ESRS 2 SBM-3 - E4 paragraph 16(b)	Annex I, table 2, indicator no. 1				NOT RELEVANT
ESRS 2 SBM-3 - E4 paragraph 16(c)	Annex I, table 2, indicator no. 14				NOT RELEVANT
ESRS E4-2 Sustainable agricultural/land use policies or practices, p paragraph 24(b)	Annex I, table 2, indicator no. 11				NOT RELEVANT
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Annex I, table 2, indicator no. 12				NOT RELEVANT
ESRS E4-2 Policies to address deforestation, para. 24(d)	Annex I, table 2, indicator no. 15				NOT RELEVANT
ESRS E5-5 Unrecycled waste, paragraph 37(d)	Annex I, table 2, indicator no. 13				
ESRS E5-5 Hazardous Waste and Radioactive Waste, paragraph 39	Annex I, table 1, indicator no. 9				
ESRS 2 - SBM3 - S1 Forced labour risk, para. 14(f)	Annex I, table 3, indicator no. 13				
ESRS 2 - SBM3 - S1 Child labour risk, paragraph 14(g)	Annex I, table 3, indicator no. 12				
ESRS S1-1 Human Rights Policy Commitments, paragraph 20	Annex I, Table 3, indicator No. 9 and Annex I, Table 1, indicator No. 11				
ESRS S1-1 Due diligence policies on matters covered by Core Conventions 1 through 8 of the International Labour Organization, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1 Procedures and measures to prevent human trafficking, paragraph 22	Annex I, table 3, indicator no. 11				
ESRS S1-1 Occupational injury prevention policy or management system, paragraph 23	Annex I, table 3, indicator no. 1				
ESRS S1-3 Mechanisms for dealing with complaints/complaints paragraph 32(c)	Annex I, table 3, indicator no. 5				
ESRS S1-14 Number of deaths and number and rate of work-related injuries paragraph 88 (b) and (c)	Annex I, table 3, indicator no. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		

ESRS S1-14 Number of days lost due to injury, accident, fatality, or illness, paragraph 88(e)	Annex I, table 3, indicator no. 3				
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, table 1, indicator no. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-16 Excessive pay gap in favour of chief executive officer, para. 97(b)	Annex I, table 3, indicator no. 8				
ESRS S1-17 Discrimination-related incidents, paragraph 103(a)	Annex I, table 3, indicator no. 7				
ESRS S1-17 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines paragraph 104(a)	Annex I, Table 1, indicator No. 10 and Annex I, Table 3, indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS 2 SBM-3 - S2 Severe risk of child labour or forced labour in the labour chain, paragraph 11(b)	Annex I, Table 3, indicators Nos. 12 and 13				NOT RELEVANT
ESRS S2-1 Human Rights Policy Commitments, paragraph 17	Annex I, Table 3, indicator No. 9 and Annex I, Table 1, indicator No. 11				NOT RELEVANT
ESRS S2-1 Policies related to workers in the value chain, paragraph 18	Annex I, Table 3, indicators No. 11 and 4				NOT RELEVANT
ESRS S2-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		NOT RELEVANT
ESRS S2-1 Due diligence policies on matters covered by Core Conventions 1 through 8 of the International Labour Organization, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		NOT RELEVANT
ESRS S2-4 Human rights issues and incidents in its upstream and downstream value chain, paragraph 36	Annex I, table 3, indicator no. 14				NOT RELEVANT
ESRS S3-1 Human Rights Policy Commitments paragraph 16	Annex I, Table 3, indicator No. 9 and Annex I, Table 1, indicator No. 11				
ESRS S3-1 Failure to comply with UN Guiding Principles on Business and Human Rights, ILO	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated		

principles or OECD guidelines, paragraph 17			Regulation (EU) 2020/1818		
ESRS S3-4 Human Rights Issues and Incidents, paragraph 36	Annex I, table 3, indicator no. 14				
ESRS S4-1 Policies related to consumers and end users, paragraph 16	Annex I, Table 3, indicator No. 9 and Annex I, Table 1, indicator No. 11				
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		
ESRS S4-4 Human rights issues and incidents paragraph 35	Annex I, table 3, indicator no. 14				
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, table 3, indicator no. 15				
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Annex I, Table 3, indicator no. 6.				
ESRS G1-4 Fines imposed for violations of laws against active and passive corruption, paragraph 24(a)	Annex I, table 3, indicator no. 17		Annex II of Delegated Regulation (EU) 2020/1816		
ESRS G1-4 Rules for combating active and passive corruption, paragraph 24(b)	Annex I, table 3, indicator no. 16				

IRO-2, 59: As already indicated in the previous section relating to IRO-1, based on the results obtained from the impact and financial materiality assessments, the Tessellis Group has established a threshold to define the materiality of each impact, risk, and opportunity. It should be noted that a sustainability topic is considered material if the IROs associated with it are material. IROs are deemed material when they exceed the “materiality threshold” established by the Group. The double materiality analysis led to the identification of six material sustainability topics: E1 – Climate change, E5 – Resource use and circular economy, S1 – Own workforce, S3 – Affected communities, S4 – Consumers and end users, and G1 – Business conduct. It should also be noted that, with regard to the topic E5 – Resource use and circular economy, the data reported refer exclusively to the companies **Tiscali Italia S.p.A.** and **Veesible**, as they are the only entities within the Group for which this topic is considered material, in light of the scale of their operational activities and the traceability of waste streams. For the remaining companies, the topic was not deemed applicable or significant for reporting purposes.

IRO-2, 58: The topics relating to ESRS E2 – Pollution, E3 – Water and marine resources, E4 – Biodiversity and ecosystems, and S2 – Workers in the value chain were not identified as material. Specifically, the topics E2 –

Pollution, E4 – Biodiversity and ecosystems, and S2 – Workers in the value chain did not exceed the materiality threshold, based on the scoring results.

The Group’s operations, mainly linked to the provision of internet connectivity and technological solutions, have a minimal impact in terms of air pollution and biodiversity.

As for the supply chain, it is based on long-standing relationships with suppliers who adhere to high labour standards, thereby minimizing the risks related to workers’ rights in the value chain.

With regard to E3 – Water and marine resources, the IROs were not submitted for scoring, as the Group’s non-manufacturing nature implies no significant use of water resources, making the topic less relevant compared to other industrial sectors.

8.2 Environmental Information

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Regulation (EU) 2020/852, also referred to as the Taxonomy Regulation (hereinafter also referred to as the "Regulation"), was approved by the Council and the European Parliament in June 2020 and was designed to harmonize and assist companies in identifying economic activities that can be considered environmentally sustainable. This implies that the Regulation should support businesses in becoming more climate- and environmentally-conscious, reduce market fragmentation, and help guide investments.

In order to be considered environmentally sustainable, an economic activity must make a substantial contribution to one or more of the **six environmental objectives** set out in Article 9 of the Taxonomy Regulation. These objectives are:

1. Mitigation of climate change;
2. Adaptation to climate change;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and reduction;
6. Protection and restoration of biodiversity and ecosystems.

In summary, the Taxonomy Regulation represents a commitment by the European Union to promote environmentally sustainable investments and encourage companies to adopt more environmentally responsible behaviours. The EU Taxonomy provides a solid foundation for the classification of sustainable activities, helping to prevent greenwashing and protect investors.

On 4 June 2021, **Delegated Act (EU) No. 2021/2139** was issued, specifying the application and content of the technical screening criteria that specific economic activities must meet in relation to the first two environmental objectives concerning climate. This Delegated Act was further updated with the publication of **Delegated Act (EU) No. 2023/2485** on 27 June 2023, as well as **Delegated Act No. 2023/2486**, which supplements Regulation (EU) 2020/852 by establishing the technical screening criteria to define when an economic activity substantially contributes to the other four environmental objectives, namely: the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and reduction of pollution, and the protection and restoration of biodiversity and ecosystems.

These recent delegated acts have been carefully considered by Tessellis in updating the EU Taxonomy disclosure within this document. Given the technical complexity of the requirements, Tessellis Group's approach to identifying eligible and aligned activities was based on strict compliance with the regulatory guidelines, leading to the exclusion of projects not included within the Delegated Acts of the Regulation.

Tessellis Group has developed a methodology for determining eligible and aligned activities under the Taxonomy, which includes: identifying eligible activities, analysing the substantial contribution to the objectives through the technical screening criteria, verifying the “Do No Significant Harm” (DNSH) principle in relation to the other objectives, checking for compliance with minimum safeguards, and calculating KPIs and financial metrics.

The process of determining eligible and aligned activities involved various departments of the Group, aiming to combine expertise and experience in the analyses conducted and in determining results. In particular, the Group’s management control department was responsible for quantifying the shares of revenue, CapEx and OpEx for each activity and for gathering the underlying details, while other functions of the Group contributed to analysing and reviewing the technical screening criteria, DNSH principles, and the respect of minimum safeguards.

The Group concluded that the percentage of revenue, CapEx, and OpEx aligned with the Taxonomy is 0%, thus excluding activities that do not meet the criteria established by EU regulations.

Eligible activities

An economic activity is considered *eligible* under the European Taxonomy if it corresponds to a description included in the Delegated Acts, regardless of whether the activity meets the technical screening criteria outlined therein. To determine which activities are eligible under the Taxonomy, preliminary analyses were carried out using NACE codes and activity screening, in collaboration with the various business functions involved. Based on the elements outlined in the previous paragraphs, the analyses led to the identification of the following eligible activities: data processing, hosting and related activities; programming and broadcasting activities; and electricity generation using solar photovoltaic technology.

As required by the regulation, in conducting this exercise Tessellis Group took into consideration the climate and environmental objectives it intends to pursue through the identified economic activities. This criterion is particularly important for activities such as 8.1 (Data processing, hosting and related activities) and 4.1 (Electricity generation using solar photovoltaic technology), which – having the same description – can contribute to both climate objectives.

Assessment of Substantial Contribution to the Objectives through the Technical Screening Criteria and DNSH Principle Verification

The activities identified as eligible were subjected to a preliminary alignment assessment to verify their compliance with the technical screening criteria. It should be noted that, based on the nature of the activities identified as eligible, the assessment of compliance with the technical screening criteria partially depends on information provided by suppliers of products and services. As of 2024, the results from the alignment analysis conducted for previous financial years are still considered valid. Specifically, the Group has initiated a process to define the information flows necessary for collecting the data required to ensure the verifiability of the aligned share of revenue, CapEx, and OpEx with the Taxonomy. This process will be strengthened and improved in the coming years, also in light of regulatory developments. For the relevant activities identified, the Group has carried out a preliminary DNSH (Do No Significant Harm) assessment, for which the same considerations apply as those related to the technical screening criteria

Verification of Compliance with Minimum Safeguards

The European Taxonomy stipulates that, in order to be classified as environmentally sustainable, an economic activity must comply with minimum safeguards, as established in Article 18 of Regulation (EU) 2020/852 (the Taxonomy Regulation). In this context, the European Union's objective is to ensure that entities engaging in environmentally sustainable activities – those labelled as aligned with the Taxonomy – adhere to certain minimum standards of governance and do not violate social norms, including human rights and labour rights. In other words, the goal is to prevent green investments from being labelled and considered "sustainable" when they involve corrupt practices, breaches of tax laws, anti-competitive behaviour, or negative impacts on human rights, including labour rights. To meet the requirements for compliance with the minimum safeguards, the Platform on Sustainable Finance has published a report summarising the main requirements stemming from the principles of the international organisations referred to in Article 18 of the European Regulation 2020/852. This report analyses overlaps and excludes principles unrelated to the context of the EU Taxonomy. The Group based its assessments on the guidelines provided in this report, evaluating compliance with the requirements across four key areas: Human Rights, Anti-Corruption, Taxation, and Fair Competition.

KPI Calculation

Based on the previous steps, the eligibility and alignment percentages were calculated by associating each activity with the financial metrics required by the Regulation: turnover, CapEx, and OpEx. The percentage of the Group's economic activities eligible and aligned with the Taxonomy in relation to Turnover, CapEx, and OpEx was calculated in accordance with legal requirements and the accounting criteria specified in Annex I of the Delegated Regulation under Article 8. However, in order to perform an accurate assessment of its economic activities and the KPI calculation, the Tessellis Group deemed it necessary to develop and apply specific estimates to identify the correct percentage of eligible and aligned economic activities, as detailed in the sections dedicated to each activity.

Based on the analyses carried out, the summary of the overall results obtained is as follows:

KPI	Ineligible activities	Eligible activities	Aligned activities
Turnover	99. 53%	0.47%	0%
CapEx	100%	0%	0%
OpEx	85.29%	14.71%	0%

The CapEx KPI refers to the increase in tangible and intangible assets during 2024, before depreciation, impairments, and revaluations, including those resulting from impairments or the application of the fair value criterion. For 2024, the Group did not record any CapEx related to eligible activities under the Taxonomy Regulation.

Objective of climate change mitigation

Activity 8.1: Data processing, hosting and related activities.

Given that Activity 8.1 (Data processing, hosting and related activities) has the same description for both climate objectives, the Tessellis Group has decided to conduct the analyses solely with regard to the objective of climate change mitigation. This decision stems from the belief that the nature of its activities is more closely aligned with this objective and to avoid the risk of double-counting. Within this category, the activities carried out by the data centre located at the Sa Illetta headquarters have been included, mainly related to housing and hosting services for IT infrastructure for storage and processing purposes. The Group has therefore identified the portion of revenue linked to these activities, while the OpEx portion was determined using the percentage weight of the revenue linked to Activity 8.1 over the total revenue. This criterion was deemed the least arbitrary for identifying the OpEx component in relation to total OpEx. Based on the verification of technical screening criteria, compliance with the DNSH principle and the minimum safeguards, the revenue and OpEx associated with this activity cannot yet be classified as aligned with the Taxonomy.

Activity 4.1 Electricity generation by solar photovoltaic technology

Since Activity 4.1 (Electricity generation using solar photovoltaic technology) has the same description for both climate-related objectives, the Tessellis Group has decided to carry out the analysis solely with reference to the climate change mitigation objective. This decision is based on the belief that the nature of the Group's operations is more closely aligned with this objective and in order to avoid the risk of double-counting. This category includes operating expenses related to the photovoltaic system installed at the Sa Illetta headquarters. Based on the assessment of the technical screening criteria, compliance with DNSH requirements, and minimum safeguards, the OpEx related to this activity cannot yet be considered aligned with the Taxonomy.

Climate Change Adaptation Objective

Activity 8.3 Programming and Broadcasting Activities

This category includes the editorial management of the Group's web portals and other proprietary platforms. Specifically, the Group offers programming composed of original and/or third-party content, potentially playing a role in spreading awareness and understanding of climate change and its effects. In detail, the Group provides various packages that include films, TV series, cartoons, and a variety of entertainment content for viewers. The Group has identified the portion of operating expenses related to this activity. Based on the assessment of the technical screening criteria, the Do No Significant Harm (DNSH) principles, and the minimum safeguards, the OpEx associated with this activity cannot yet be classified as aligned with the Taxonomy.

Transition to a Circular Economy Objective

Activity 5.3 Preparation for Reuse of Products and Components at End-of-Life

This category includes the activities related to the "Regenerated by Work" project, which involves the refurbishment of equipment in collaboration with the management of the correctional facilities in Lecce, Rebibbia, and Cagliari. Specifically, the Group refurbishes obsolete telecommunications devices in a circular economy framework, through three laboratories located within the above-mentioned prisons. This activity generates revenue from reintroducing refurbished equipment into the market, including on behalf of third-party operators in the telecommunications sector. These revenues have been identified as eligible under the EU Taxonomy Regulation. However, based on the assessment of the technical screening criteria, compliance with the Do No Significant Harm (DNSH) principle, and adherence to the minimum safeguards, the revenues associated with this activity cannot yet be classified as aligned with the Taxonomy. For the relevant Taxonomy tables, please refer to the annexes.

E1 Climate Change

- **Governance**

ESRS 2 GOV-3 – Integration of Sustainability Performance into Incentive Schemes

ESRS 2 GOV-3 13: The Tessellis Group takes environmental objectives into account when defining the remuneration of members of the administrative, management and supervisory bodies, as further detailed in chapter ESRS 2, paragraph GOV-3.

- **Strategy**

E1-1 – Transition Plan for Mitigating Climate Change

E1-1 17: The Tessellis Group has not yet defined a transition plan for mitigating climate change. This analysis will be carried out starting in 2025, with the aim of implementing the resulting measures by 2027.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model

ESRS 2 SBM-3 18: As part of the double materiality assessment process, the following material risks related to climate change were identified:

- Physical climate-related hazards affecting the Group's premises and sites, particularly the rising temperatures and sea levels, which could damage production facilities and cause temporary or permanent business interruptions, with consequences on costs and assets;
- Risks associated with the transition to a low-carbon economy, requiring compliance with new regulations and policies, which may have an impact on the Group's costs and revenues;
- Risk of rising energy procurement costs, including increased prices for non-renewable energy sources such as oil and natural gas, also driven by international, geopolitical, and macroeconomic developments, with direct effects on operations.

The two risks associated with the transition to a low-carbon economy and energy procurement are classified as transition risks, as they are linked to regulatory and technological changes. Conversely, the risk related to physical climate change is classified as a physical risk.

ESRS 2 SBM-3 19 a): For the latter risk, Tiscali Italia S.p.A. conducted a resilience analysis as early as 2020, estimating the effects of climate change and its economic and financial impacts on business operations. Given the long-term time horizons considered at the time, the results of the analysis remain valid today.

The analysis was conducted exclusively on Tiscali Italia S.p.A., as it is the most significant company within the Group in terms of both size and operational sites. Specifically, the assessment focused on a set of physical climate risks that could impact the Data Centre infrastructure:

Relevant climate risk identified	Type of climate risk	Impact on business/business activity	Time horizons
Rising global average ambient temperatures	Climate-related physical risk – chronic	On the Data Centre of Tiscali Italia S.p.A. in Sa Illetta (Cagliari) On the production facilities located on the national territory; On the interconnection devices allocated at the end customer's home.	Long – medium term (2034 – 2100)
Sea level rise	Climate-related physical risk – chronic	Impacts on the Data Centres of Tiscali Italia S.p.A. located in the Sa Illetta location	Long – medium term (2034 – 2100)

ESRS 2 SBM-3 19 b), c): **Rising global average ambient temperatures**

Cagliari – Sa Illetta Data Centre: The Tiscali Italia S.p.A. Data Centre is equipped with cooling systems capable of withstanding external temperature increases of up to 55°C. Specifically, the operating range of the equipment used to cool the Data Centre spans from -17.5°C to 55°C. For the purpose of the analysis, the maximum temperature recorded in the geographical area of the Data Centre in 2024 was monitored and found to be 37.2°C. Therefore, considering the climate scenario involving a 1.5°C increase in global average temperature over a ten-year horizon, the current systems are sufficient to meet cooling requirements for a period exceeding their expected useful life.

Production facilities located throughout the country: Tiscali Italia S.p.A. operates 45 Points of Presence (POPs) across Italy, of which 25 are in co-location and 20 are owned, all housing equipment (routers/servers) with technical characteristics similar to those in the Data Centre. The same assumptions and conclusions of the Data Centre analysis are applicable to these production facilities nationwide. It should be noted that the Company has scheduled a process over the coming years to improve the energy efficiency of its owned POPs. The aim is to more sustainably manage potential increases in external temperature, either by upgrading existing cooling systems or implementing free cooling systems to complement those already optimized from a technical standpoint.

Customer-premises interconnection devices used for service provision: Climate change driven by global warming may have negative effects on internet service, potentially compromising its availability, quality, security, and cost. Various studies – including *"Climate change hotspots and implications for the global subsea telecommunications network"*, published in *Earth-Science Reviews*, Vol. 237, 2023 – have shown that global warming poses a risk to the efficiency and reach of internet communication, and that environmental disasters impact signal reliability. This is particularly critical in emergency situations where efficient communication systems are essential. The

Company has also conducted an analysis on modems, i.e., the devices installed at customers' premises during service activation. These devices fall into two categories:

→ Indoor devices: modems used for fibre services (FTTH/FTTC) and FWA services;

→ Outdoor devices: modems used for FWA services.

The results of the analysis on the effects of climate change on these devices concluded that they are able to withstand outdoor temperature rises of up to 56°C, without impacting their operation.

Sea level rise

Production facilities located at the Sa Illetta site – Cagliari: Studies conducted by the IPPC 813 predict a sea level rise by 2100 of between 0.6 and 1 metre in the scenario of very high emissions reduction, and between 0.3 and 0.6 metres in the event of high emissions.

The offices and Data Centre of Tiscali Italia S.p.A. are located in the Sa Illetta area, approximately 2 km from the municipality of Cagliari. This is one of the largest wetlands in Europe and is of significant environmental value, as it is home to protected animal and plant species. The Tiscali Italia S.p.A. Data Centre is located about 90 metres from the northern edge of the lagoon. The servers are positioned on the second floor of the building, while the generators, electrical substations, and uninterrupted power supply systems are located on the ground floor.

According to the analysis mentioned above, even in the case of a sea level rise of 0.3 metres within the next 12 months (a highly unlikely scenario), the lagoon's waters would still not reach the building housing the Data Centre, nor would they come into contact with any equipment used in the Company's production activities, as such a rise would not reach the ground level of the Data Centre (approximately 2 metres above sea level). There is also a protective drainage channel around the area that directs water flow toward the sea, which would safeguard the existing infrastructure even in the event of higher sea level rises.

For this reason, the conclusions indicate that there is no reasonable risk of having to make investments to protect the Data Centre equipment or other machinery used for production activities. Similarly, it is believed that over a long-term horizon, the servers will not suffer any damage linked to this climate event that could compromise their operational capacity. In the unlikely scenario that sea levels rise by more than 2 metres over the next 10 years, this would still not necessitate investments aimed at adapting part of the Data Centre infrastructure, for the reasons outlined above.

ESRS 2 IRO-1 – Description of processes for identifying and assessing relevant climate-related impacts, risks, and opportunities

ESRS 2 IRO-1 20: With regard to the description of the processes used to identify and assess material impacts, risks and opportunities, reference is made to the section entitled *"Management of impacts, risks and opportunities"* included in the chapter *"ESRS 2 – General Disclosures."*

This section focuses specifically on the impacts, risks and opportunities related to climate change that were deemed material following the double materiality assessment.

ESRS 2 IRO-1 20 a): In particular, the material impacts are:

- Promotion of energy efficiency initiatives and use of renewable energy sources within the organisation, leading to a reduction in associated greenhouse gas emissions (Scope 1 and Scope 2 direct and indirect emissions);
- Increase in energy consumption within the organisation and along its value chain, with related greenhouse gas emissions (Scope 1 / Scope 2 / Scope 3);
- Depletion of available resources caused by the use of non-renewable energy sources (non-renewable fuels) for business operations.

ESRS 2 IRO-1 20 b): The physical risks are:

- Physical climate-related hazards affecting the Group's facilities and sites, in particular the rising temperatures and sea levels, which could cause damage to production plants and lead to temporary or permanent disruptions in business activities, with an impact on costs and assets.

For more information on the resilience analysis related to physical risks, please refer to section ESRS 2 SBM-3 in this chapter.

ESRS 2 IRO-1 20 c): Transition risks include:

- Risks associated with the transition to a low-carbon economy, requiring compliance with new regulations and policies, which may affect the Group's costs and revenues;
- Risk of rising energy procurement costs, including increases in the prices of non-renewable energy sources such as oil and natural gas, also due to evolving international, geopolitical, and macroeconomic conditions, with direct effects on operations.

Opportunities include:

- Opportunity to contribute to CO_2 reduction through the optimization of the company car fleet by decreasing the share of diesel-powered vehicles in favour of hybrid/electric vehicles;
- Increase in the share of self-generated electricity, making the Group more self-sufficient and less exposed to risks related to price trends and availability of energy resources, thus reducing costs.

ESRS 2 SBM-3 21: Analysis of climate scenarios related to physical and transition risks will be conducted by 2026.

E1-2 – Policies Regarding The Mitigation Of Climate Change And Adaptation To It

ESRS 2 62: Currently, the Tessellis Group does not yet have detailed environmental policies in place. The absence of an official document systematically governing the management of environmental aspects reflects an evolving phase in the Group's approach to environmental matters. Although a detailed policy has not yet been implemented, environmental sustainability is acknowledged as a relevant and strategic issue, and internal evaluations are underway to establish, in the future, a comprehensive framework aligned with industry best practices and national and international regulatory standards.

E1-2 25 a), b), c), d), e): Tiscali Italia S.p.A. considers the control of the environmental impacts of its activities as one of the main areas of its commitment. For this reason, since 2019, it has obtained **ISO 14001 certification**. ISO 14001 is the reference standard for companies and organizations that have implemented, or intend to implement, an Environmental Management System aimed at managing environmental aspects, ensuring legislative compliance, and addressing and evaluating risks and opportunities. Among the requirements of the standard is the definition of an **Environmental Policy**.

This Policy generally addresses the main environmental impacts associated with the company's activities, considering that ICT and telecommunications companies, in particular, generate very high electricity consumption, making climate change a particularly relevant issue for the sector.

Tiscali's commitment is expressed through continuous improvement and pollution prevention, with particular attention to ensuring that its processes are environmentally responsible, compliant with applicable regulations, and aimed at monitoring and mitigating its environmental impacts, such as limiting the consumption of natural and energy resources.

E1-3 – Actions And Resources In Relation To Climate Change Policies

ESRS 2, 62: Tessellis Group, during 2024, did not take any actions in line with the requirements of ESRS 2 MDR-A.

- **Metrics and Targets**

E1-4 – Targets Related to Climate Change Mitigation and Adaptation

ESRS 2 81: To date, the Tessellis group has no defined targets in line with the ESRS 2 MDR-T.

E1-4 33: To make a concrete contribution to reducing the human impact on global warming, the Tessellis Group is evaluating the introduction of specific climate targets. These targets are intended to strategically and measurably guide the Group's actions in reducing its greenhouse gas emissions across the entire value chain. This initiative is part of a broader strategic decarbonisation plan and a transition toward a lower-emission operating model, with the aim of contributing to limiting global temperature rise within the thresholds established by the Paris Agreement.
In the context of growing attention to sustainability, the Tessellis Group has defined a series of initiatives aimed at reducing environmental impact while promoting more efficient resource use.
The table below summarises the Group's main planned actions, in line with the updated 2025–2028 Industrial Plan, highlighting the expected benefits:

Initiative	Target	Expected benefits

Voluntary digitization of invoices	Offer customers who use the postal bulletin as a method of payment the choice of a paper or digital invoice.	Reducing environmental impact by decreasing paper consumption and printing/shipping costs.
Black and white printing of communications	Use monochrome printing for invoices and communications for both FWA and Fiber customers.	Decreased environmental impact related to the use of coloured inks and reduced printing costs.
CRAH system revamping DATA CENTER sector	Reliability restoration and renovation of DC 1-sector indoor air handling system	Economic optimization of operation and overall system efficiency, resulting in reduced environmental impact.
UPS System Revamping Sa Illetta BUILDINGS	Renewal and increased reliability of uninterruptible power systems	Operating energy optimization.

E1-5 – Energy consumption and energy mix

The Tessellis Group consumes energy to power its infrastructure, such as data centres, base transceiver stations, network hubs, and offices. Total energy consumption is calculated as the sum of purchased electricity and any self-generated energy. During the year, the Group recorded a total energy consumption of 11,923 MWh, broken down as follows:

a. Energy from renewable sources

- Electricity purchased from renewable sources certified through Guarantees of Origin
- Self-generated solar energy from photovoltaic systems installed at company sites

b. Energy from non-renewable sources

- Electricity purchased from the grid without a renewable origin guarantee
- Gasoline and diesel fuel for company vehicles
- Use of natural gas and coal

E1-5 37 a), b), c):

Energy mix (% of total consumption)

Energy consumption	UoM	2024
Vehicle gasoline consumption	MWh	296.56
Vehicle diesel consumption	MWh	243.85
Methane gas consumption	MWh	64.96
Coal consumption	MWh	0.35
Consumption of electricity, heat, steam or cooling purchased or acquired from fossil sources	MWh	10,642
Total energy consumption from fossil sources	MWh	11.248
Percentage of fossil sources in total energy consumption	%	94
Total energy consumption from nuclear sources	MWh	0
Percentage of energy consumption from nuclear sources in total energy consumption	%	0

Fuel consumption from renewable sources including biomass, biofuels and biogas, and hydrogen	MWh	0
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	MWh	133
Consumption of self-generated renewable energy without relying on fuels	MWh	542
Total energy consumption from renewable sources	MWh	675
Percentage of renewable sources of total energy consumption	%	6
Total energy consumption related to own operations	MWh	542

E1-5 39: In the following table, Tessellis shows separately its energy production from non-renewable sources and energy production from renewable sources in MWh.

Energy production	UoM	2024
Energy production from non-renewable sources	MWh	0
Energy production from renewable sources	MWh	542.06

E1-6 – Gross GHG emissions – Scope 1, 2, and 3, and total GHG emissions

GHG emissions are reported in accordance with the GHG Protocol guidelines.

For the purpose of defining the organisational boundary for the reporting of greenhouse gas emissions, the Tessellis Group includes the following companies: 3P Italia S.p.A., Aetherna S.r.l., Go Internet S.p.A., Tiscali Italia S.p.A., Veesible S.r.l., and Xstream S.r.l.

E1-6 44,48, 49, 51, 52: The following table presents a summary view of Scope 1, 2 and 3 GHG emissions related to Tessellis Group:

	UoM	2024
Scope 1 emissions		
Gross GHG emissions in Scope 1	tCO2eq	560.67
Percentage of gross GHG emissions in Scope 1 from emissions trading schemes.	%	100
Scope 2 emissions		
Scope 2 location-based gross GHG emissions	tCO2eq	3,270.3
Scope 2 market-based gross GHG emissions	tCO2eq	5,327.1
Significant Scope 3 emissions		
Gross GHG emissions of Scope 3	tCO2eq	32,490.72
Category 1 Purchased goods and services	tCO2eq	25,391.87
Category 2 Capital Assets (*)	tCO2eq	5,866.85
Category 3 Fuels and energy-related activities (not included in scope 1 or 2)	tCO2eq	1,033,13
Category 5 Waste generated by the Group and managed in third-party facilities	tCO2eq	0
Category 6 Business Travel	tCO2eq	198.07
Total gross GHG emissions		
Total GHG emissions (location-based)	tCO2eq	36,321.7
Total GHG emissions (market-based)	tCO2eq	38,378.5

(*) it is specified that this category does not include data from subsidiaries Go Internet and X Stream

RA39b: The Tessellis Group adopts a standardised methodology for estimating total greenhouse gas (GHG) emissions, based on the application of emission factors to specific activity data. The calculation is performed using the following formula:

GHG emissions = Activity data × Emission factor (EF)

where:

GHG emissions: represent the total amount of greenhouse gases emitted, expressed in tonnes of CO_2 equivalent (tCO_2e);

Activity data: indicates the level of activity responsible for the emissions, and can be expressed in physical terms (e.g. amount of energy consumed, mass or volume of materials) or in economic terms, such as the monetary value of expenditures for goods and services;

Emission factor (EF): coefficient that allows the conversion of activity data into an estimate of the associated emissions.

The emission factors used are selected from official and internationally recognised sources, including regulatory references, scientific literature, and sectoral databases.

GHG emissions are calculated using two complementary methodological approaches:

Activity-based approach: emissions are calculated based on specific physical data related to the activities carried out, such as production volumes, types of materials used, and product weights (expressed in kg);

Spend-based approach: emissions are estimated based on the economic value of the expenses incurred for the purchase of goods and services.

		Type of EF	value	UoM	Source
Scope 1		1 lt Automotive gasoline	2.332	kgCO2eq	NIR 2024
		1 lt Automotive diesel fuel	2.662	kgCO2eq	NIR 2024
		1 m3 Methane	2.019	kgCO2eq	NIR 2024
		1 T Coal	2.316	tCO2eq	NIR 2024
		R-407C	1.624	tCO2eq	NIR 2024
		R-410°	1.924	tCO2eq	NIR 2024
		R422D	2.473	tCO2eq	NIR 2024
Scope 2		Emission factor ITALIA Location-based	307.30	gCO2/kWh	ISPRA 2024
		Emission factor ITALIA Market-based	500.57	gCO2/kWh	AIB Residual Mix (Europe) 2024
Scope 3	Category 1	Licensed database			CEDA 2024
	Category 2	Licensed database			CEDA 2024
	Category 3	Natural gas	0,03021	kgCO2eq/KWh	DEFRA 2024
		Petrol	0,0614	kgCO2eq/KWh	DEFRA 2024
		Diesel	0,05816	kgCO2eq/KWh	DEFRA 2024
		Coal	0,05629	kgCO2eq/KWh	DEFRA 2024
		Licensed database			IEA 2023

	Category 5	-		-	-
	Category 6	Licensed database			CEDA 2024
		Hotel stays UK	11,5000	kgCO2eq/room per night	DEFRA 2024
		Hotel stays Belgium	12,200	kgCO2eq/room per night	DEFRA 2024
		Hotel stays Italy	14,300	kgCO2eq/room per night	DEFRA 2024
		Hotel stays USA	16,100	kgCO2eq/room per night	DEFRA 2024
		Ferry – foot passenger	0,01871	kgCO2eq/passenger.km	DEFRA 2024
		Ferry – car passenger	0,12933	kgCO2eq/passenger.km	DEFRA 2024
		WTT Ferry - foot passenger	0,00424	kgCO2eq/passenger.km	DEFRA 2024
		WTT Ferry – car passenger	0,02932	kgCO2eq/passenger.km	DEFRA 2024
		Flights – short haul	0,18592	kgCO2eq/passenger.km	DEFRA 2024
		Flights - International	0,1758	kgCO2eq/passenger.km	DEFRA 2024
		WTT Flights – short haul	0,02286	kgCO2eq/passenger.km	DEFRA 2024
		WTT Flights - International	0,02162	kgCO2eq/passenger.km	DEFRA 2024
		National rail	0,03546	kgCO2eq/passenger.km	DEFRA 2024
		WTT National rail	0,00897	kgCO2eq/passenger.km	DEFRA 2024

Scope 1 emissions are calculated as the sum of emissions resulting from:

1. Fuel combustion in company vehicles;
2. Use of fossil fuels for heating company buildings;
3. Leakage of refrigerant gases in company buildings.

Scope 2 emissions include indirect emissions from the purchase and consumption of electricity, steam, and heat.

In accordance with the **GHG Protocol**, these emissions are calculated using two distinct approaches: **location-based**, which relies on the average emission intensity of the local electricity grid; **market-based**, which accounts for emissions related to the electricity the company chooses to purchase, for example through specific contracts or certificates of origin.

The location-based approach uses a national average factor, referring to the energy mix used at the national level for electricity generation (as published by ISPRA).

The market-based approach is based on contractual agreements with electricity suppliers and reflects the specific origin of the purchased energy. For this method, the emission factor of the national residual mix is used, representing the portion of electricity not covered by guarantees of origin, as defined by the AIB – European Residual Mix.

RA 45 d): The Tessellis Group covers approximately 6% of its electricity needs with renewable energy sources. To certify the "green" origin of the purchased energy, it relies on Guarantees of Origin (GO) associated with its supply contracts.

For Scope 3 emissions, the Tessellis Group considers the most relevant categories both for its specific industry sector and for its own business activities.

RA 46 g). i): For the calculation of Scope 3 emissions, the Tessellis Group applies a variety of methodologies, assumptions, and emission factors. Nearly all emissions – approximately 99.94% – were quantified using primary data, gathered directly from corporate operations or suppliers.

Below are the Scope 3 categories relevant to the Group:

- Category 1: *Purchased Goods and Services* – This includes emissions from all products and services purchased by Tessellis to support its operations, such as materials, supplies, consulting, and external services. It represents the most significant share of indirect emissions.
- Category 2: *Capital Goods* – This includes emissions generated from the production of long-term assets purchased during 2024.
- Category 3: *Fuel- and Energy-Related Activities (not included in Scope 1 or 2)* – This covers upstream emissions related to the extraction, production, and transportation of fuels used and electricity purchased by the Group.
- Category 5: *Waste Generated in Operations* – This includes emissions from the treatment of waste at third-party facilities. Since all waste is sent for recycling, associated emissions are zero.
- Category 6: *Business Travel* – This includes emissions from travel and overnight stays by Tessellis Group personnel attending client meetings, supplier visits, or events. Emissions were calculated using primary data for Tessellis S.p.A., while proxy estimates (based on headcount) were used for other Group companies lacking direct data.

The following categories were excluded from Scope 3 emission calculations because they are considered not applicable or not material to Tessellis Group's operations:

- Category 8: *Upstream leased assets;*
- Category 9: *Downstream transportation and distribution;*
- Category 10: *Processing of sold products;*
- Category 12: *End-of-life treatment of sold products;*
- Category 13: *Downstream leased assets;*
- Category 14: *Franchises;*
- Category 15: *Investments*.

E1-6 53:

Greenhouse gas intensity	UoM	2024
Revenues	**EUR 000**	216,990,611
Greenhouse gas intensity (Scope 2 Location-based)	**tCO2w/EUR 000**	0.00017
Greenhouse gas intensity (with Scope 2 Market-based)	**tCO2e/EUR 000**	0.00018

E1-6 55: Please see Section 4.4 of the Management’s Report for a reconciliation of net revenue amounts.

- **Management Of Impacts, Risks And Opportunities**

ESRS 2 IRO-1 – Description Of The Processes For Identifying And Assessing The Material Impacts, Risks, And Opportunities Related To Resource Use And The Circular Economy

ESRS 2, IRO-1, 11 a): Tessellis discloses that, as part of the process for identifying and assessing the material impacts, risks, and opportunities related to resource use and circularity, an analysis was conducted on the company's assets and activities, including upstream and downstream operations across the value chain. The analysis focused on identifying areas for improvement in reuse and recycling practices, waste reduction, and proper material disposal, with particular attention to regulatory compliance concerning high-tech products.

Potential impacts related to non-compliance with waste disposal regulations, hazardous substances management, and environmental protection laws were also taken into account.

Following the double materiality assessment, the identified impacts are:

- Positive current impact: Increased adoption of reuse and recycling practices, reduction of waste, and proper disposal of materials – including compliance with applicable regulations for high-tech products;
- Potential negative impact: Risks related to potential non-compliance with regulations on waste disposal, hazardous substances, and environmental protection.

The only material opportunity identified is:

- Strengthening the Group's brand image and aligning with consumer expectations through the implementation of circular economy initiatives, which could generate positive economic effects via increased revenues from the resale of refurbished devices, in addition to reputational benefits.

ESRS 2, IRO-1, 11 b): The methodologies applied included regulatory compliance analyses and internal audits, while the underlying assumptions were based on current legal requirements and best available practices. Where relevant, stakeholder consultation processes were activated – including with potentially affected communities – in order to integrate their perspectives into the analysis.

It is important to note that the information and data disclosed under this topic refer exclusively to the companies Tiscali Italia S.p.A. and Veesible, as they are the only entities within the Group for which the topic is deemed material, based on the scale of their operational activities and the traceability of their waste streams. For the other companies in the Group, this topic was not considered applicable or material for reporting purposes.

For further details on the processes used to identify and assess material impacts, risks, and opportunities, please refer to the section titled *"Management of Impacts, Risks and Opportunities"* within the chapter *"ESRS 2 – General Disclosures."*

E5-1 – Policies on Resource Use and Circular Economy

ESRS 2, 62: Currently, the Tessellis Group does not yet have policies aligned with ESRS 2, MDR-P. However, Tiscali Italia S.p.A. has adopted an **Environmental Policy**, through which it actively commits to monitoring and managing the environmental impacts of its activities, recognising this as a critical area of its operations alongside technological innovation, customers, people, and governance.

E5-1, 15 a) b): As outlined in the Policy, Tiscali Italia S.p.A.'s approach to environmental management is based on:

- the planning and implementation of specific actions aimed at minimising environmental impacts (e.g., reducing the consumption of natural and energy resources, raw materials and other materials; preventing potential leaks; and limiting waste production);
- the meticulous application of the practices adopted under its Environmental Management System, including controls to ensure compliance with this Policy.

Tiscali thus demonstrates its commitment to the sustainable procurement and use of renewable resources.

E5-2 – Actions and Resources Related to Resource Use and Circular Economy

ESRS 2, 62: The Tessellis Group has not developed an action plan that specifically addresses the requirements set out in MDR-A. Nevertheless, several initiatives have been implemented in response to the impacts identified through the Double Materiality analysis.

E5-2, 20 a), b), c), d), e), f): The actions related to resource use and circular economy undertaken by Tessellis follow:

- **Rigenerati dal Lavoro**: This project focuses on the refurbishment of technological devices in collaboration with the Correctional Facilities of Lecce, Rebibbia, and Cagliari. It aims to extend the life cycle of equipment, reduce the need for virgin resources, and promote the use of secondary resources through reuse and repair.
- **Gradual phase-out of single-use plastic**: Since October 2019, the Tessellis Group has shown strong commitment to sustainable practices and reducing its environmental impact by installing drinking water dispensers and eliminating plastic bottles and cups from vending machines, as well as from the company canteen and bar.
- **Waste sorting**: The Group has implemented a waste separation system to ensure proper reuse or recycling of all waste produced. The disposal of electronic equipment and office waste is carried out in compliance with applicable regulations.
- **Desktop Virtualization Systems (VDI)**: To reduce waste generation, Tessellis makes use of desktop virtualization systems (VDI) instead of purchasing local PCs, thereby limiting the future disposal of electronic devices.
- **Protective tarpaulins**: To improve the waste storage area conditions at the Sa Illetta site, protective tarpaulins have been used to prevent potential particulate matter loss and to safeguard the soil.

- **Product distribution, use and end-of-life**: Tessellis applies responsible management of electronic waste in line with WEEE regulations, prioritizing recycling and material recovery. Customers are informed about the importance of proper WEEE disposal through communication included in the Welcome Pack sent to business clients. This message outlines the return process for rented modems upon contract termination or replacement and provides information about the potential environmental impacts related to product use and end-of-life. Proper disposal is ensured in accordance with local municipal waste management regulations.

• Metrics and Targets

E5-3 – Targets Related To Resource Use And Circular Economy

ESRS 2 81: As of today, the Tessellis Group has not defined targets in line with ESRS 2 MDR-T. Nonetheless, Tiscali Italia S.p.A. has implemented a monitoring system for targets related to the "Rigenerati dal Lavoro" project. Specifically, the company has established usage targets based on the average processing time required for each refurbished device and the resources available in the various workshops. These figures may vary due to several factors, such as: changes in the technology of the devices being refurbished, which affect processing time; fluctuations in the number of resources available in each workshop, which – given the particular nature of the labour pool – cannot be considered stable; adjustments for working days, which must account for absences due to illness, holidays, or leave.

In 2024, a total of 15,829 modems were refurbished at the Lecce Rework Laboratory, 27,720 at the Rebibbia Laboratory, and 12,863 at the Uta Laboratory. The activity involved both company-owned devices and those of other providers.

The defined targets for 2025 are as follows:

Laboratory	Rework Target
Lecce	23,400
Rebibbia	9,820
Cagliari Uta	21,933

E5-4 – Input Resource Flows

E5-4, 30: During the reporting year, Tiscali Italia S.p.A. managed incoming technical resource flows primarily related to the provision of telecommunications services. The materials purchased included:

- FWA CPEs (Customer Premises Equipment for fixed wireless access);
- Fiber CPEs (modems/routers for fibre connections);
- Headsets for Customer Care operations;
- Office chairs for Customer Care staff.

These resources fall within the category of electronic equipment and operational furnishings and are used in service delivery processes and customer support. Their use aligns with the company’s operational needs and complies with the efficiency and durability standards required by the sector.

E5-4, 31 a): The following table represents the quantity (t) and type of incoming resources

Type of incoming resources	UoM	2024
		Total weight of products
CPE FWA	t	92.00
CPE Fibre	t	34.00
CUSTOMER CARE HEADSETS	t	0.05
CUSTOMER CARE OFFICE CHAIRS	t	0.40
Total	t	126.45

E5-4, 31 c): Regarding the CPE FWA category, the secondary components reused or recycled amount to 74 tonnes (representing 80.43% of the total), while for the CPE Fiber category, the reused or recycled secondary components amount to 27 tonnes (representing 79.41% of the total).

E5-4, 32: The data related to resources (CPE FWA and CPE Fiber) were extracted from the administrative management system. The data collection methodology adopted does not allow for a breakdown between the share of reused and recycled secondary components.

Lastly, the data relating to the operational headsets and chairs were obtained from empirically recorded measurements, and the information is stored in the AX accounting system.

E5-5 – Output Resource Flows

E5-5,37 a), b), c), d): During 2024, Tiscali Italia S.p.A. and Veesible Srl jointly generated a total of 85.52 tonnes of waste, all of which was sent for recovery operations, achieving a 100% recycling rate. The breakdown of the waste produced is as follows:

- Non-hazardous waste: 85.45 tonnes, fully recycled. This category includes materials such as cardboard and plastic packaging, biodegradable waste from canteens, and unsorted office waste.
- Hazardous waste: 0.07 tonnes, also entirely recycled. This includes end-of-life electrical equipment (WEEE), monitors, fluorescent lamps, batteries, and non-regenerable CPEs (KO).

Tiscali Italia S.p.A., the most materially relevant company within the Tessellis Group, did not send any waste to landfill or incineration and did not produce any radioactive waste. Waste management practices strictly follow the EU waste hierarchy, prioritising reuse and recycling.

A table detailing the quantity (in tonnes) and type of outflowing resources is provided in the corresponding section of the report.

Not intended for disposal	UoM	2024
37. b) Total	**t**	**85.52**
37. b) Hazardous waste	**t**	**0.07**
37. (b) i. Preparation for reuse	t	
37. (b) ii. Recycling	t	0.07
37. (b) iii. Other recovery operations	t	
37. b) Non-hazardous waste	**t**	**85.45**
37. (b) i. Preparation for reuse	t	
37. (b) ii. Recycling	t	85.45
37. (b) iii. Other recovery operations	t	
Intended for disposal	**UoM**	**2024**
37. c) Total	t	
37. c) Hazardous waste	t	-
37. (c) i. Incineration	t	
37. (c) ii. Landfill Disposal	t	
37. (c) iii. Other disposal operations	t	
37. c) Non-hazardous waste	t	
37. (c) i. Incineration	t	
37. (c) ii. Landfill Disposal	t	
37. (c) iii. Other disposal operations	t	
37. d) Non-recycled waste	t	-
37. d) Percentage of waste not recycled	%	0.00%
37. Total waste produced	**t**	**85.52**

E5-5, 38 a): The main waste streams are: plastic, unsorted office waste, biodegradable waste from the canteen/bar, cardboard packaging, plastic packaging, and end-of-life electrical equipment (WEEE).

E5-5, 38 b): The main materials contained within the waste are: biomass, plastic, paper and cardboard, metal.

E5-5,39: The 0.07 tons of hazardous waste does not include radioactive materials.

E5-5,40: For the disposal of electronic equipment and office materials at the Bari, Rome, and Taranto offices, Tiscali Italia S.p.A. relies on a contract with an authorized waste disposal provider. Upon submission of the authorization letter, the provider carries out the disposal and issues the FIR (Waste Identification Form). The loading and unloading registers for these materials are kept by the disposal provider.

An environmental consultant supports Tiscali Italia S.p.A. throughout all disposal phases and with the related environmental compliance requirements.

8.3 Corporate Information

ESRS S1 Own Workforce

- **Strategy**

ESRS 2 SBM-2 – Stakeholders' Interests And Views

ESRS 2 SBM-2 12: The Tessellis Group pays particular attention to the opinions and needs of its employees, which are integrated into the corporate strategy and business model through the implementation of specific methods for engagement and dialogue.

These engagement activities aim to foster a relationship based on trust, transparency, and shared purpose, enabling Tessellis to understand the needs and expectations of its employees, including those related to human rights.

Interaction with its own workforce allows Tessellis to strengthen its understanding of the concerns and priorities regarding key strategic issues and to gather input on potential areas for development, with the goal of increasing the Group's capacity to generate shared value with its employees.

As part of the double materiality process, in which the workforce was involved in defining the relevant IROs, the Board of Directors approves the outcomes of this process, ensuring full alignment with the Group's strategy, objectives, and business model, while respecting human rights and employees' interests.

ESRS 2 SBM-3 – Relevant impacts, risks, and opportunities and their interaction with the strategy and business model

ESRS 2 SBM-3 14: As part of the double materiality assessment process, the material impacts, risks, and opportunities were identified, with the involvement of the Group's own workforce. This included consideration of all professional areas within the workforce affected by the Group's operations, both upstream and downstream along the value chain.

ESRS 2 SBM-3 14 a, b, c): The impacts related to the own workforce that emerged as relevant from the materiality analysis are as follows:

- Increase in employee well-being and satisfaction through compliance with contractual conditions (e.g., working hours), the protection of freedom of association and work-life balance, and the promotion of competitive remuneration (current positive impact).
- Greater awareness of health and safety issues for employees and collaborators, through health and safety promotion initiatives, dedicated training, and accurate risk management, resulting in a reduction in workplace accidents (current positive impact).
- Promotion of an inclusive culture that supports diversity, equity, and inclusion at all levels within the Group and fosters the expression of each individual's talent and uniqueness (current positive impact).

- Potential occurrences of discrimination/harassment/abuse within business operations, including discriminatory practices, particularly concerning responsibilities, compensation, and career advancement (potential negative impact).
- Positive impacts on talent attraction and retention due to the presence of individual training plans that support skills development and career advancement (current positive impact).
- Secure and conscious management of information and data, aligned with stakeholders' needs and expectations and in compliance with applicable regulations (current positive impact).

In detail, the stakeholders considered affected by the relevant impacts include all employees of the Tessellis Group – who are primarily employed under the National Telecommunications Collective Bargaining Agreement, the National Journalists' Agreement, and the National Industrial Executives' Agreement – external collaborators, and trade unions represented within the company.

Following the materiality assessment, only one negative impact related to the Group's own workforce was deemed relevant. This impact is considered to be generalized within the context in which the Tessellis Group operates.

As for the relevant positive impacts, the People Value Function was identified with the aim of supporting the implementation of the One Company model. This involves fostering the creation of a new corporate culture that enables each individual to develop their skills in line with the evolving needs of the business – within a context where people, through the totality of their internal and external interactions, are seen as the main drivers of value creation and social enrichment.

Being a change agent for People Value means having embarked on a journey, with a 2022-2024 timeframe, to achieve the following milestones:

- Definition of the new organizational model;
- Definition of corporate values and the managerial model;
- Redesign of the internal communication process with a focus on developing a new corporate intranet;
- Implementation of a development model centred on job posting tools and performance management.

ESRS 2 SBM-3 15: Ongoing dialogue with the People Value function and the processes for engaging the company's own workforce (see *S1-2 – Processes for engaging own workers and workers' representatives regarding impacts*) enable the Group to monitor the prevailing workplace climate and implement corrective measures whenever issues or negative impacts arise.

ESRS 2 SBM-3 14 d), 16: The risks and opportunities related to the Group's own workforce, identified as material through the financial materiality assessment, are as follows:

- Risk related to the theft and disclosure of sensitive data and information, which could cause reputational damage or disrupt business continuity, as well as lead to potential legal sanctions.

- Increased talent attraction and, consequently, higher productivity as a result of fostering a positive corporate climate through initiatives that promote individual uniqueness, generating positive impacts on the Group's economic and financial performance.
- Opportunity arising from the Group's investments in training programs (both soft and hard skills), which enhance the attractiveness and productivity of a highly skilled workforce, with positive impacts on the Group's performance.

These risks and opportunities, stemming from impacts and dependencies related to the Group's own workers, concern the Group's entire workforce.

ESRS 2 SBM-3 14 e): Tessellis Group has not identified any impacts on its own workforce that would result from transition plans to reduce environmental impacts.

ESRS 2 SBM-3 14 f), g): The Tessellis Group repudiates all forms of human rights violations, including forced labour and child labour. For this reason, it does not resort to any form of labour falling into these categories and ensures that all workers are aware of their rights and duties under their employment contract.

It should be noted that there are no operations and geographical areas at risk of forced labour or child labour.

• Management of Impacts, Risks and Opportunities

S1- 1– Policies related to own workforce

ESRS 2 62: Tessellis Group does not have formalized policies in line with the requirements of ESRS 2 MDR-P. Nevertheless, it has adopted the following policies relating to its own workforce:

- Code of Ethics
- Company Regulations
- Policy on Board of Directors and Board of Statutory Auditors Diversity
- Gender Equality Policy
- Health and Safety Policy
- Organisational Model 231 – Special Section 7: Workplace Safety
- Organisational Model 231 – Special Section 3: Offences Against the Person

Code of Ethics

S1-1 24 b): The Tessellis Group's Code of Ethics outlines the principles of corporate ethics and the rules of conduct designed to prevent the commission of unlawful acts or behaviour that is inconsistent with the organisation's values. The Code of Ethics serves as a charter of moral rights and duties, defining the ethical and social responsibilities of every individual within the company. The rules set out in the Code are intended to safeguard the Group's integrity and ensure compliance with applicable professional ethical standards as well as with the laws and regulations of each country in which it operates.

Among the fundamental ethical principles upheld by the Tessellis Group is impartiality, which entails avoiding any form of discrimination based on age, gender, sexual orientation, health status, racial or ethnic origin, nationality, political opinions, or religious beliefs. Furthermore, the Group recognises professionalism and employee commitment as essential values for achieving its objectives. Human resources are therefore protected, and job satisfaction is actively promoted.

In managing relationships involving hierarchical structures, the Group requires that organisational and managerial authority be exercised with fairness and integrity, and it condemns any behaviour that could in any way harm the personal or professional dignity of subordinates. The Group is consistently committed to ensuring a work environment in which relationships among colleagues are based on loyalty, fairness, cooperation, honesty, respect, and mutual trust.

In addition, the Group adopts the necessary measures to protect the health and safety of its workers and is continuously engaged in information, awareness, and training initiatives aimed at encouraging all Recipients of the Code to actively contribute to achieving the highest standards of workplace safety and health.

For further details on the Code of Ethics, please refer to chapter G1.

Company Regulation

The Company Regulation of the Tessellis Group defines the directives, corporate procedures, and behavioural rules that employees are required to follow to ensure an orderly and effective performance of their duties. It works in concert with other existing corporate policies, the applicable National Collective Labour Agreement (CCNL), and the relevant regulatory framework.

These behavioural rules include the professionalism and integrity expected of employees in every aspect of their work and interactions with colleagues, as well as their commitment to sharing their knowledge and participating in training initiatives. The Regulation also outlines rules related to organisational management, such as working hours, leave, sick days, protection of company assets, use of company parking, and workplace safety.

In addition, it specifies obligations regarding compliance with Privacy and Cybersecurity regulations, the Code of Ethics, and Gender Equality policies. At the end of the document, there is a section dedicated to the company's disciplinary system.

Policy on Diversity within the Board of Directors and the Board of Statutory Auditors

The Board of Directors of Tessellis recognises that diversity and inclusion are fundamental components of corporate culture. In particular, the promotion of diversity as a cornerstone of medium- to long-term business sustainability is regarded as a key principle, both for the employees of the Tessellis Group and for the members of its administrative and supervisory bodies.

The purpose of this Policy is to outline the qualitative and quantitative criteria for the composition of the Board of Directors to ensure the effective fulfilment of its duties and responsibilities. This includes the presence of individuals who can offer a sufficient plurality of perspectives and competencies necessary for a sound understanding of the market and current business dynamics, as well as the long-term risks and opportunities faced by the company.

Both the Board of Directors and the Board of Statutory Auditors aim to pursue integration and gender balance in their composition. For this reason, the Group considers it a priority to foster a collaborative and inclusive environment within its governing bodies – one in which each member can express their full potential and contribute effectively.

The Policy also defines the specific implementation procedures, such as the nomination of candidates by shareholders during the renewal of administrative and supervisory bodies, ensuring due consideration of the benefits stemming from a well-balanced composition in line with various diversity criteria.

This Policy is adopted by the Board of Directors based on a proposal from the Nomination and Remuneration Committee. The internal board committees are responsible for supporting the Board in the implementation, monitoring, and assessment of the Policy's application and its outcomes during the reference period. This includes preparing an annual disclosure in the corporate governance and ownership structure report.

Any amendments or updates to the Diversity Policy are approved by the Board of Directors, based on proposals from the aforementioned committees and taking into account the findings of the Board's annual self-assessment.

For more information on the composition, roles, and competencies of the Board of Directors and the Board of Statutory Auditors, please refer to chapter G1.

Gender equality policy for the Tessellis Group

S1-1 24 a): The Tessellis Group believes that diversity and plurality are values that contribute to creating an open and stimulating work environment, while also ensuring a variety of perspectives that foster innovative thinking and ethical, effective behaviour. For these reasons, the Group has developed an organisational framework that supports inclusion and the promotion of diversity.

As confirmation of this commitment, in 2024, the company obtained Gender Equality Certification in accordance with UNI/PdR 125:2022. Following this, it implemented a Gender Equality Management System, which includes the adoption of specific KPIs related to the Gender Equality Policy.

The objective of this policy is to ensure equal career opportunities, fair pay and working conditions, to promote work-life balance initiatives, and to raise awareness in support of an equitable and inclusive corporate culture. It also embodies the principles of non-discrimination, guaranteeing equal dignity and opportunity to all individuals, regardless of their country of origin, cultural or religious background, gender, sexual orientation, political opinions, or any other personal characteristic or identity.

S1-1 24 c): Within its Gender Equality Policy, the Tessellis Group outlines its commitments to equal opportunities based on several key action areas:

- Culture and Strategy
- Governance

- Human Resources Processes
- Opportunities for Growth and Inclusion within the Company
- Gender Pay Equity
- Protection of Parenthood and Work-Life Balance

These action areas are translated into practical commitments aimed at actively promoting inclusion and equal opportunities, through awareness-raising initiatives, projects, and training activities targeting all personnel. The ultimate goal is to foster balanced and inclusive representation across all roles, including technical and decision-making positions.

In particular, the Group implements specific actions in support of female employees, who may be more vulnerable to certain workplace challenges. In this context, Tessellis offers benefits to support parenthood, aimed at facilitating the return to work after parental leave and providing professional development assistance to employees with preschool-age children.

Key initiatives include: paternity leave beyond the requirements of the applicable National Collective Labour Agreement (CCNL); procedures and activities to support the “back to work” process; coaching programmes; reversible part-time arrangements; smart working options; tailored welfare plans; company nursery services; voluntary engagement programmes during maternity leave; partnerships with external psychological support services; and coaching and mentoring focused on parenting.

S1-2 24 d): The Gender Equality Policy also establishes the presence of procedures and protocols for the prevention of harassment and mobbing, with particular attention to environments where women work in predominantly male settings. These procedures are communicated across the workforce to ensure that all employees are aware of how to report incidents and what actions will be taken in response to any episodes of harassment or mobbing.

Health and Safety Policy

S1-2 23: The Tessellis Group places the utmost importance on workplace safety through the implementation of its Occupational Health and Safety Policy.

This document outlines the Group’s commitment to defining and communicating the following key objectives to all employees, suppliers, and third parties, in order to prevent and control accidents and safeguard workers’ health:

- Protection of workers’ physical and mental integrity: Tessellis is committed to actively preventing accidents, injuries, and occupational illnesses by involving all levels of the organisation.
- Safe working environments and competent resources: The Group ensures that workplaces, machinery, and equipment comply with the highest safety standards. It also guarantees that personnel are equipped with the necessary technical skills and a strong awareness of safety issues, while maintaining the efficiency of machines, tools, systems, and facilities.

- Continuous improvement and active participation: Tessellis promotes a process of continuous improvement in health and safety standards by encouraging the active participation of all employees, including through their representatives.

To translate these objectives into concrete actions, Tessellis is committed to:

- Complying with current occupational health and safety legislation and, where possible, voluntarily applying additional measures deemed necessary, even in the absence of legal obligations.
- Ensuring that the Occupational Health and Safety Management System (OHSMS), compliant with UNI ISO 45001, is integrated throughout the organisation – from the employer to each individual worker, including external contractors.
- Continuously consulting with its employees, particularly through their representative (RLS – Workers' Safety Representative).
- Providing comprehensive information and training programmes for all personnel.
- Implementing a monitoring system to verify the implementation of the OHSMS and compliance with legislative and regulatory provisions on health and safety, using appropriate indicators.
- Conducting periodic management reviews to assess the adequacy and effectiveness of the health and safety management system.

A key commitment of this policy includes procedures for managing information related to accidents and near misses. These aim to identify root causes and plan corrective measures.

The risk assessment document is a fundamental tool, consisting of a general section and specific sections for each site – Cagliari Sa Illetta, Bari, Taranto, Rome, including the prison-based workshops. The criteria for hazard identification (safety and health), risk assessment, and control measures in line with current regulations apply to all work activities carried out by the organisation's employees (as defined in Article 3 of Legislative Decree No. 81/08 and subsequent amendments). For each site, fire risk assessments, emergency plans, and stress-related risk assessments have also been developed.

A Health and Safety Improvement Plan has been prepared, detailing the actions to be undertaken to improve workplace health and safety conditions and ensure compliance with current legislation.

Safety rules also apply to anyone accessing the organisation's workplaces, including visitors and contractors, taking into account:

- Routine and non-routine activities, presence of external personnel or third parties;
- Environmental risks originating externally or near the workplace;
- Risks arising from changes in work areas, service delivery processes, installations, machinery, equipment, raw materials, substances, procedures, and organisation;
- Changes in applicable regulations.

Responsibility for health, safety, and environmental risk prevention lies with:

- The Employer, who holds the employment relationship or, depending on the organisation, is responsible for the unit and has decision-making and spending powers;
- The Manager, who has sufficient authority and professional skills to implement the employer's directives;
- The Supervisor, who oversees work activities and ensures compliance with instructions, within defined authority;
- The Worker, who carries out work within the employer's organisation, regardless of contractual terms, except domestic and family service workers;
- The Head of the Health and Safety Service (RSPP), appointed by the employer, responsible for coordinating the risk prevention and protection service;
- The Safety Officer, part of the prevention service, possessing the necessary qualifications;
- The Prevention and Protection Service, including internal or external personnel and systems aimed at protecting workers from professional risks;
- The Occupational Physician, who collaborates with the employer in risk assessments and conducts health surveillance;
- The Workers' Safety Representative (RLS), who represents employees on health and safety matters.

Employee participation, consultation, and communication on occupational health matters are conducted in compliance with legal requirements.

The medical surveillance protocol provides for check-ups every five years for employees under 50 and every two years for those over 50 or with medical restrictions. Personal medical data is protected by privacy law and only accessible to the Occupational Physician, who must report anonymous aggregated results to the employer, RSPP, and RLS during the annual meeting (Art. 35, Legislative Decree No. 81/08). The Group's results align with national and regional averages.

Lastly, a specific risk assessment document for workplace harassment has been developed, in compliance with Italian legislation (Legislative Decree No. 81/2008 and Law No. 125/1991). This document includes preventive measures to ensure respectful, safe workplaces and identifies risks such as sexual, psychological, and verbal harassment. It also outlines risk analysis and mitigation procedures within company premises.

Model 231 – Special Section 7: Occupational Health and Safety and Special Section 3: Offences Against the Person

S1-1 20 a): As part of Model 231, several Special Sections have been established, each dedicated to specific categories of offences. Among these are Special Section 7 and Special Section 3, which concern, respectively, Occupational Health and Safety and Offences Against Individual Personality.

S1-1 22: Special Section 7 not only describes offences related to manslaughter or serious or very serious injuries resulting from violations of health and safety regulations at work, but also addresses the offence of employing third-country nationals whose stay is irregular.

Special Section 3 outlines offences against individual personality, referring to the following categories of crime:

- Reduction to or maintenance in a state of slavery or servitude;
- Child prostitution;
- Child pornography;
- Possession of pornographic material;
- Virtual pornography;
- Tourist initiatives aimed at exploiting child prostitution;
- Human trafficking;
- Purchase and sale of slaves;
- Unlawful intermediation and labour exploitation;
- Grooming of minors.

S1-1 21: The Model outlines the applicable legislative references and regulations in force, also taking into account aggravating circumstances such as the use of child labour, exploitative conditions, and the unlawful transfer of foreign nationals. Specifically, Special Section 3 refers to UN conventions and protocols concerning human trafficking and situations equivalent to slavery.

These types of offences, relating to human rights violations, are deemed not even hypothetically conceivable within the operational context of the Group.

S1-1 20 b), c): With regard to the offences outlined in Special Section 7, the areas identified as relevant through risk assessment include all company departments, with particular focus on the Human Resources department. In order to mitigate the potential risks associated with the types of offences described, the Tessellis Group has adopted Management Systems in compliance with applicable regulations, along with specific internal procedures, including reporting and management protocols overseen by the Supervisory Body (Organismo di Vigilanza). All recipients of Special Sections 3 and 7, including employees, are required to report any violations of the Model 231 via the designated reporting channels.

For more information on Model 231, please refer to Chapter G1.

S1-2 – Processes For Involving Own Workers And Worker Representatives Regarding Impacts

S1-2 27 a, b): The Tessellis Group, as part of the double materiality process aimed at identifying relevant impacts, risks, and opportunities, identified and involved its own workforce, specifically the corporate functions representative of and connected to the management of the various topical standards.

In order to manage relevant IROs effectively and efficiently, the Group maintains ongoing dialogue with its workforce with the goal of increasing engagement. The Tessellis Group has implemented the following engagement tools for this specific stakeholder category:

- Corporate intranet / shared areas on the SharePoint platform;
- Performance evaluations;
- Internal climate surveys;
- Communication tools, such as dedicated accounts for reporting specific issues or a whistleblowing system.

S1-2 27 c): The double materiality process is coordinated by the Financial Statement & ESG, Project AI Reporting function, which is responsible for implementing all necessary actions to engage stakeholders. In the final phase, the Board of Directors is responsible for formally approving the results of the double materiality assessment, ensuring their alignment with the company's strategy, objectives, and business model.

S1-2 27 d): The Group is committed to safeguarding employees' right to freedom of association and collective bargaining. As of 31 December 2024, 100% of employees are covered by collective bargaining agreements. In addition to the applicable national collective labour agreement (CCNL), second-level bargaining is also in place, covering agreements that may concern the regulation of work shifts, the use of paid leave, and access to other welfare measures or initiatives aimed at improving employee well-being.

ESRS S1-2 28: The workforce of the Tessellis Group includes vulnerable groups of employees, such as individuals with disabilities, pregnant women, and workers facing language barriers, who are consistently supported in meeting their needs. Specifically, each employee within the Tessellis Group is assigned a representative from the Human Resources function, who acts as a point of contact and ensures ongoing dialogue through individual meetings and email communication.

S1-3 – Processes To Remediate Negative Impacts And Channels Enabling Own Workers To Raise Concerns

S1-3 32 a): In order to ensure the proper communication and management of any instances of discrimination, the Tessellis Group has introduced specific behavioural guidelines and dedicated tools.

Furthermore, Tessellis has implemented an Internal Control System in line with the principles and application criteria set out in Article 6 of the Corporate Governance Code for listed companies. This system comprises a set of rules, procedures and organisational structures aimed at enabling an effective process of identifying, assessing, managing and monitoring major risks, while also ensuring sound, correct and goal-oriented business conduct.

The Internal Control System is implemented through the activities of the following bodies:

- Risk Control Committee: Established by the Board of Directors and currently composed of three independent non-executive Directors of Tessellis S.p.A., this committee has advisory and proposal-making functions to improve the effectiveness and strategic direction of the internal control and risk management system of the Board.

- Chief Executive Officer: Responsible for the operational implementation of the Board's guidelines regarding internal control.
- Internal Audit Function: This function operates independently from operational management and carries out its duties in accordance with the recommendations of the Corporate Governance Code. It reports directly to the Chair of the Board of Directors and, from an administrative standpoint to the Chief Executive Officer.

These structures ensure that any potential violations – including discriminatory behaviour – can be identified, investigated and appropriately addressed, in compliance with corporate ethics and legal obligations.

S1-3 32 b,), 33: Employees of the Group are required to report any incidents either to their direct manager, the HR function, a third-party body (which may also receive reports from external sources), or directly to the Supervisory Body.

These reports can be submitted through various channels, including the IntegrityLine platform, which is an integral part of the Group's Whistleblowing procedure.

Reports submitted through the IntegrityLine platform can be made either in writing or orally via a dedicated voice mailbox.

The individuals or entities receiving the reports are responsible for assessing the information received and determining the appropriate course of action. Meanwhile, the HR function is responsible for ensuring that no retaliation of any kind is taken against those who report in good faith, regardless of whether the report is substantiated after investigation.

The Whistleblowing Procedure guarantees the highest degree of confidentiality and privacy in handling the communications received, thereby protecting both the whistleblower and the person reported. It also upholds Tessellis Group's values of transparency, freedom, sustainable success, and responsible conduct.

For further details on the Whistleblowing Procedure, please refer to Chapter G1.

S1-3 32 d), 33: The channels described above are made available to all members of the Group's own workforce via the Tessellis Group website.

During the onboarding process for new hires, individual meetings are held with various corporate functions, covering the following topics:

- Management, Development, Training and Internal Communication: Company presentation (history, products/services, values, managerial model, welfare initiatives) and signing of the employment contract.
- Administration and Labour Cost: Health insurance, severance pay (TFR) allocation, pension funds, business travel, and asset usage.
- Service Desk: Delivery of company assets (PC, phone, monitor), software usage (VPN, AX), access to shared folders.

- Facility Management: Access to and use of shared spaces.
- Privacy: Overview and signing of specific documentation.
- Legal Department: Overview of Legislative Decree No. 231/2001 topics and signing of standard documentation.
- Procurement (if applicable): Overview of the procurement process and supporting tools, only if the new hire is involved in purchases/RDA.

In particular, during the meeting with the Legal Department, the new hire is informed about the reporting procedures and the dedicated channels. Additionally, biennial training is provided to explain the operational procedures for accessing the Whistleblowing system.

Moreover, employees are regularly reminded of the existence and use of the above-mentioned channels through AllTiscali, a direct email channel with the Human Resources function.

S1-3 32 c), 32 e): Reports submitted through the IntegrityLine platform are subject to a management and monitoring mechanism that includes possible corrective actions and follow-up procedures. The inquiry process must conclude with a response within three months of receiving the report. This response may consist of:

- a communication of the case closure,
- the initiation of an internal investigation and its possible findings,
- measures taken to address the issue raised, or
- referral to a competent authority for further investigation.

If the analysis highlights the need for recommendations aimed at adopting appropriate remedial actions, the management of the areas/processes under review will be informed to define a corrective action plan for addressing the identified issues. The implementation of these actions within the established deadlines will be ensured and communicated to the Internal Audit function.

For further details on the Whistleblowing Procedure, refer to Chapter G1.

The Tessellis Group ensures the effectiveness of the reporting channel through semi-annual reports prepared by the Whistleblowing Manager and submitted to the Board of Directors and the Board of Statutory Auditors, and annually to the Chairpersons of the Supervisory Bodies of the relevant Group companies, summarizing the reports received.

S1-4 – Actions Addressing Material Impacts on Own Workforce and Approaches for Mitigating Material Risks and Pursuing Material Opportunities, Including Effectiveness of Such Actions

ESRS 2 62: The Tessellis Group has not yet defined an action plan related to its own workforce in accordance with ESRS 2 MDR-A. Nevertheless, in the course of 2024, it implemented a number of initiatives aimed at reinforcing its commitments towards its own workforce.

S1-4 38 a), 38 c), 40 a), 40 b):

Diversity and Inclusion

The Tessellis Group has developed an organizational model based on inclusiveness and a working environment focused on employee well-being. For this reason, it ensures – through policies, procedures, and actions – that negative impacts are mitigated and avoided, particularly with regard to incidents of discrimination. Tessellis is therefore committed on a daily basis to:

- Promoting a culture of diversity and equal opportunity among employees and collaborators, ensuring that everyone is treated at all times with dignity, respect, and fairness, by encouraging inclusive behaviour that reflects the Group's values. Confirming this commitment, in 2024 the company obtained gender equality certification in accordance with Uni/PDR 125:2022;
- Creating a welcoming work environment, free from any direct or indirect discrimination and any type of harmful behaviour based on personal, social, political, or cultural diversity;
- Applying specific HR policies and metrics to ensure fairness throughout the employer–employee relationship: from recruitment and role assignment to performance evaluation, professional development, remuneration, and contract termination;
- Supporting the professional development and growth of its human resources, encouraging employees to reach their full potential and ensuring the sharing of best practices across the organization.

Employee Well-being

Tessellis has continued its targeted actions aimed at implementing a non-disruptive labour cost optimization and management policy, ensuring stability in employment levels, employee well-being, and motivation – even in light of the socio-economic contexts surrounding its various operational sites. This commitment represents a cornerstone of the company's leadership vision, guiding all managerial decisions in support of the industrial plan.

In particular, following the completed merger, an organizational model was confirmed that minimized the need to assess redundancies; the organizational design was specifically mandated to absorb and optimize resources within functional areas. In line with the central role of the People Value function, three initiatives launched in 2024 are worth highlighting for their substantial contribution toward achieving the defined goals:

- The strengthening of the new Managerial Model, which synthesizes the organization's values, principles, and competencies in a way that supports ongoing transformation. This model serves not only as a key tool for guiding a shared organizational culture but also as a fundamental framework for all People Value initiatives and management tools;
- The continued implementation of the new performance management system, designed not only to support the achievement of business goals but, above all, to:
  a) promote integration through a consistent corporate culture;
  b) align individual behaviours with the new managerial model;
  c) empower managers as key players in company integration and people development;

d) harmonize managerial styles by fostering a culture of listening and feedback.

To support its launch, the initiative was accompanied by a widespread training program for all evaluators;

• The systematic use of internal job posting to manage nearly all of the Group's organizational needs. This approach aimed to:

a) gain insight into employees' skills and aptitudes;

b) enhance the internal talent pool, supporting engagement and retention through professional development;

c) integrate diverse backgrounds into heterogeneous, multi-territorial teams;

d) optimize personnel costs.

In July 2023, an important agreement was signed between Tiscali and the national trade unions Slc-CGIL, Fistel-CISL, and Uilcom-UIL, with the presence of territorial and company representatives. The agreement is valid until 2026. In 2024, several particularly significant agreements were also reached, both economically and in terms of internal relations within the Group, aimed at revising and enhancing the existing corporate welfare package:

• **School Entry Leave**: 10 hours of paid leave are granted to support the integration of children into nursery and kindergarten, thereby assisting parental needs.

• **Hourly Parental Leave**: Employees may take parental leave on an hourly basis, offering greater flexibility for family-related needs.

• **Personal Needs Leave**: One day of paid leave, also available in hourly increments, is granted for personal matters outside contractual allowances.

• **Specialist Medical Visits Leave**: 8 hours of paid leave per year are granted for specialist medical visits, clinical tests, and treatments, supporting employees' health needs.

• **Temporary Part-Time and Unpaid Leave**: Employees may request temporary part-time arrangements or unpaid leave to manage personal situations, promoting work-life flexibility.

• **Goods and Services Welfare Contribution**: Employees are provided with welfare credit to purchase goods and services via a dedicated platform, encouraging mindful choices.

• **Structured Smart Working**: Employees are allowed to work remotely two days per week, or cumulatively within the same month. Agreements are based on organizational needs to ensure fairness and flexibility for all staff.

In addition to the measures described above, Tessellis' welfare program includes assistance, healthcare, and pension initiatives. The Group has taken out insurance policies covering non-occupational risks for all employees.

As required by applicable regulations, if an employee (classified as staff or middle manager) joins the industry-specific fund *Telemaco* and contributes, in addition to their severance pay (TFR), an additional amount (minimum 1%), Tessellis contributes a fixed 1.2% of the salary used to calculate the TFR. Executives, on the other hand, are enrolled in the *Previndai* fund, with a minimum contribution of 4% matched by a fixed 4% employer contribution based on the salary relevant for TFR calculation.

Health and Safety

The activities of the Tessellis Group are carried out in full compliance with applicable legislation and company guidelines on health and safety, through prevention and protection measures. In 2024, the Group fulfilled all requirements relating to the prevention of workplace health and safety risks, as set out in Legislative Decree No. 81/2008.

All initiatives related to health and safety training programs in the workplace were promoted, including the delivery of the following mandatory courses:

- Update on Workplace Health and Safety for non-executive employees;
- First Aid and use of the semi-automatic defibrillator (BLSD);
- Fire Safety Training;
- General and specific training for video display unit (VDU) users;
- General and specific training for employees responsible for minor maintenance; and
- Refresher courses for Workers' Health and Safety Representatives (RLS).

The role of the Corporate Prevention and Protection Service was also strengthened by establishing a dedicated department within the organizational structure and expanding the number of Prevention and Protection Officers, including the appointment of a resource exclusively dedicated to occupational health and safety matters.

As part of its obligation to protect health against specific occupational risks, the Group carried out both scheduled health surveillance visits and medical checks requested by individual workers to verify their full fitness for work, particularly with respect to risks associated with VDU usage.

Training and Development

In 2024, the two-year training plan launched in 2023 continued, structured in alignment with the framework of values and competencies defined by the Group's managerial model. The 2024 training plan aimed to culturally consolidate the various processes set in motion following the merger with Linkem S.p.A., considering the timeline consistent with benchmarks observed in corporate merger processes.

As in the previous year, 100% of managers were included in at least one training course, with the goal of promoting and developing managerial skills. The 2024 Performance Management plan was based on the 2023 model, with specific improvements introduced to address critical issues that had emerged, particularly focusing on enhancing the managerial activities of team leaders.

Compared to the previous year, the total number of training hours more than doubled. In addition to managerial training, courses were delivered to strengthen both soft skills and technical job-specific skills, to support internal mobility and assist employees along their development paths. This approach was designed to support an ongoing cultural transformation, enabling people to adapt progressively and effectively.

Privacy

The Tessellis Group places particular emphasis on the processing of data and information concerning all stakeholders, including its own employees, by implementing all protection mechanisms and necessary activities to comply with mandatory requirements and voluntary standards.

The Group has also adopted the use of the “GoPrivacy” management software to fulfil obligations relating to the maintenance of data processing records pursuant to Article 30 of the EU General Data Protection Regulation No. 679/2016 and for Risk Analysis. Tessellis also regularly schedules corporate training plans on personal data processing.

In 2024, training on personal data processing was delivered to the personnel of Tiscali Italia S.p.A. and to the Group’s Dealers.

S1-4 38 d), 39: The Tessellis Group monitors and evaluates the effectiveness of the actions implemented through the management systems for which it is certified. The Group identifies annual improvement actions to enhance its corporate prevention and protection system, both during the annual periodic meeting pursuant to Legislative Decree No. 81/08 and in compliance with the certifications held by the Group (see ESRS 2).

The effectiveness of corporate policies is monitored through:

- Periodic internal audits to ensure compliance with ISO standards 9001, 45001, 14001, 27001 (including ISO 27017 and 27018), 22301, 20000-1, Uni/Pdr 125, and labour and safety regulations;
- Ongoing checks conducted by the Human Resources, Organisation and SPPA Compliance function, aimed at strengthening the monitoring of policies and management systems.

S1-4 41: The Tessellis Group adopts policies and actions aimed at ensuring that its activities do not generate negative impacts on its own workforce. To this end, various safeguards have been implemented, including the integrated quality system, which requires the Group not to overlook potential negative impacts. A monitoring procedure is applied, along with the identification of improvement actions and the evaluation of their effectiveness.

This activity is carried out by the Human Resources, Organisation and SPPA Compliance function in coordination with other corporate departments responsible for the operational prevention of negative impacts and the implementation of welfare and safety measures. Any tensions between the prevention of negative impacts and other business pressures are managed in accordance with the principles of social responsibility and workers’ rights.

S1-4 43: The Tessellis Group addresses its material impacts on the workforce through widespread training and awareness-raising initiatives aimed at educating and engaging staff on topics such as health and safety, workers’ rights, organisational well-being, and social responsibility.

These actions include:

- Training courses for internal personnel, featuring up-to-date content on management topics and cross-functional skills;
- Regular informational communications disseminated through internal company channels (AllTiscali), as well as monitoring and promotional initiatives to foster an organisational culture grounded in sustainability and the protection and enhancement of diversity. These initiatives take concrete form in the Idea Generation Lab project.

The project is an intrapreneurship initiative launched by the People Value and Business Innovation divisions of Tiscali Italia, with the support of ELIS.

Its primary objective is to generate innovative solutions for Tiscali's future by leveraging internal talent, encouraging collaboration among employees from different company locations (Rome, Cagliari, Bari, and Taranto), and actively supporting a mindset oriented toward challenges and change.

Two challenges were held, each focused on different areas of innovation in B2B and B2G contexts:

- B2B Challenge – High Value Business & Small Office Home Office: designing new products or services for business customers, targeting both high-spending clients and small offices. Solutions had to be based on innovative technologies and demonstrate significant financial impact.
- B2G Challenge – Smart City: rethinking Tiscali's role in Smart Cities by designing products or services for local and national public administrations, leveraging emerging technologies in areas such as tourism, safety, mobility, and digital identity.

The team proposals were evaluated according to the following criteria:

- Effectiveness in communication
- Innovation of the solution
- Feasibility of the solution
- Market potential and business impact
- Social and environmental acceptance and impact
- Open feedback

The 2024 Idea Generation Lab represented not only a personal and professional development opportunity for participants but also a tangible contribution to the future of Tiscali Italia.

• Metrics and Targets

S1-5 – Objectives Related To The Management Of Material Negative Impacts, The Enhancement Of Positive Impacts, And The Management Of Material Risks And Opportunities

ESRS 2 81: The Tessellis Group has not established objectives for managing material impacts, risks, and opportunities in line with the requirements set out in ESRS 2 MDR-T. Nevertheless, following the achievement of the UNI/PdR 125 gender equality certification, it has adopted specific KPIs related to the organisation's Gender Equality Policy.

The KPIs monitored correspond to the indicators included in the UNI/PdR 125 gender equality certification, which requires an improvement plan to be monitored annually, with the aim of renewing the certification every two years.

Below are the KPIs that will be monitored during the 2025–2026 biennium, broken down by the areas defined in the certification:

Area	KPI description	Base year (2024)	2026 Target
Culture and Strategy	Implementation in the last two years of training interventions at all levels, including top management, on gender difference and its value, stereotypes and unconscious bias	Training provided to various business functions but training has not been completed at all levels	Extend training related to gender equality to all levels of the organization
Opportunities for growth and inclusion of women in business	Percentage of women in the organization with executive status	The percentage of women with managerial status stands at 24 percent compared with an ISTAT industry average of 20% Women: 7 (24%) Men: 22 (71%)	Achieving a difference of at least +10 % points (pp) from the average value of the industry to which it belongs
	Percentage of women in the organization responsible for one or more organizational units compared to the total target population	There are 80 Managers (29 Executives + 51 Middle Managers including chief editors) of whom 24 Women (7 Executives + 17 Middle Managers) amounting to 30% women	Achieve at least the 40 % share of the total responsible
	Percentage of women in the first line of reporting to top management	In the first line of reporting to the Summit, there are 16 people of whom 3 are women, or 19% compared to an ISTAT industry average of 10%	Achievement of a difference of at least +10 % points (pp) from the average % value of women with managerial status in their industry
	Percentage of women in the organization with delegated authority over an expenditure/investment budget.	All women in management positions (amounting to 7) hold delegated authority over spending/investment, which is 24% compared to an ISTAT industry average of 20%	Achievement of a difference of at least +10 % points (pp) from the average % value of women with managerial status in their industry
Pay equity by gender	Percentage of pay difference for same job level by gender and equal skills.	KPI achieved for all levels of the Telecommunications Collective Bargaining Agreement but not for Industry Executives Contract - 31.95%	The Delta between average male and female pay for the same job/role should be less than 10%.
	Percentage of female promotions on an annual basis	For the following levels the KPI was not achieved: Level 4: women 4.12% - men 5.63%; Level 6: women 8.62% - men 9.68%; Level 7: women 6.25% - men 6.98%.	Achieve the % of women promoted to total women on staff equal to the % of men promoted to total men on staff, taking into consideration the different functional levels.

Parenting protection and work-life balance	Ratio of the number of actual male recipients to the total number of potential recipients of parental leave in the first twelve years of the child's life compulsory	The figure is not available	Ensure the availability of the data to carry out monitoring and verify that the ratio is progressively approaching 100%
Management System - Internal Audits	-	To date there has not been formalized a program of Internal Audits directed at verifying the real and effective application of the company's policy and directives on gender equality, as well as compliance with the instructions and procedures defined for this purpose in the manner defined by UNI EN ISO 19011.	It is planned to define and formalize Internal Audit activities as required by the certification.

It should be noted that the additional KPIs required by the UNI/PdR 125 certification were successfully monitored and achieved in 2024. For these KPIs, monitoring activities will continue over the next two years with the aim of maintaining the results already achieved.

S1-6 – Characteristics Of The Company's Employees

S1-6 50 a), d):

Number of employees	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Italy	487	610			**1,097**
Europe					**-**
Extra UE					**-**
Total	**487**	**610**	**-**	**-**	**1,097**

S1-6 50 f): For more details, please refer to paragraph 6.11 of the Report on Operations, Note 4 *"Personnel Costs."*

S1-6 50 b), d):

Number of employees	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Total	**487**	**610**	**-**	**-**	**1,097**
Number of permanent contract employees	473	604			**1,077**
Number of fixed-term employees	14	6			**20**

Number of working hours not guaranteed					-

S1-6 50 e): The data reported in the table confirm that permanent contracts account for the vast majority (98%) of the company's total workforce. **In 2024, no employee was hired under zero-hour contracts**, such as on-call or intermittent work arrangements. In keeping with its respect for people and the key role they play in the company's success, the Group does not make use of employment contracts that allow work performance to be requested "as needed," according to business demand. All employees are guaranteed a fixed number of working hours per day, week, or month.

S1-6 52, 50 d):

Number of employees	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Total	**487**	**610**	**-**	**-**	**1,097**
Full-time	394	310			**704**
Part-time	93	300			**393**

S1-6 50 e): 36% of employees (393 individuals) are employed under part-time contracts. The significant use of this type of employment arrangement addresses both organizational needs related to shift work schedules in the customer care sector and the work-life balance requirements typical of many households.

S1-6 50 c), d):

Number and turnover rate of employees	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Outgoing employees	35	21	-	-	**56**
Turnover rate	7%	3%	-	-	5%

S1-6 50 e): More than 98% of employee departures were voluntary (resignations, transfers to other Group companies, participation in voluntary exit schemes) or related to the natural turnover of employees working within correctional facilities who, upon completion of their sentence, are required to terminate their employment.

The phenomenon of voluntary terminations has experienced a resurgence compared to recent years, partly due to a more dynamic job market driven by the rise of remote working, which has made external job offers more appealing as they are no longer tied to geographical mobility. In Cagliari, in particular, this trend has also been influenced by a growing demand for technical specialist roles, spurred by the implementation of regional infrastructure digitalization projects linked to the NRRP (National Recovery and Resilience Plan).

S1-7 – Characteristics Of Non-Employee Workers In The Company's Own Workforce

S1-7 55 a), b):

Number	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Non-employee workers	4	12	-	-	16

S1-8 – Collective Bargaining Coverage And Social Dialogue

Tessellis operates in the telecommunications sector and refers to two national collective labour agreements (CCNL): the Telecommunications CCNL for employees and middle management, and the Industry Executives CCNL for executives. In addition, given the presence of an editorial team at Tiscali with 13 journalists, the National Journalists' CCNL is applied to this category of personnel. Each employee is represented within one of these categories and therefore falls under one of the collective labour agreements, in accordance with national employment legislation.

In addition to the relevant CCNLs, second-level bargaining agreements are also in place, covering topics such as the regulation of work shifts, the use of paid leave, and access to additional welfare measures or initiatives aimed at improving employee wellbeing.

The Group is committed to safeguarding employees' rights to freedom of association and collective bargaining. As of 31 December 2024, 100% of employees are covered by collective bargaining agreements.

S1-8 60 a), b):

	as of 31 December 2024						
	European Economic Area			Outside the EEA			Total
	Italy	Country B	Country C	Country A	Country B	Country C	
Number of employees	1,097						1,097
Number of employees covered by collective bargaining	1,097						1,097
% Employees covered by collective bargaining	100%						1

S1-8 63 a), b):

	as of 31 December 2024						
	European Economic Area			Outside the EEA			Total
	Italy	Country B	Country C	Country A	Country B	Country C	
Number of employees covered by employee representatives	302						-
% Employees covered by employee representatives	28%						0

S1-9 – Diversity Metrics

S1-9 66 a):

Number of employees	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Executives	27	8	-	-	35
Middle managers	43	15	-	-	58
Employees	403	583	-	-	986
Workers	13	5	-	-	18
Total	486	611	-	-	1.097
% of executives	2%	1%	0%	0%	3%
% of middle managers	4%	1%	0%	0%	5%
% of employees	37%	53%	0%	0%	90%
% of workers	1%	0%	0%	0%	2%

S1-9 66 b):

Number of employees	as of 31 December 2024			
	< 30	30-50	> 50	Total
Executives	-	11	24	35
Middle managers	-	17	41	58
Employees	30	679	277	986
Workers	1	14	3	18
Total	31	721	345	1.097
% of executives	0%	1%	2%	3%
% of middle managers	0%	2%	4%	5%
% of employees	3%	62%	25%	90%
% of workers	0%	1%	0%	2%

S1-10 – Adequate Remuneration

S1-10 69: Tessellis has used the remuneration levels set by the National Collective Labour Agreements (CCNL) as the main benchmark for determining the adequacy of the wages received by its employees, in line with the Group's adoption of national collective bargaining agreements.

	as of 31 December 2024						
	European Economic Area			Outside the EEA			Total
	Italy	Country B	Country C	Country A	Country B	Country C	
Number of Employees	1,097						1,097
Number of employees who do not receive adequate remuneration	-						-
% Employees who do not receive adequate remuneration	0%						0%

S1-11 – Social Protection

S1-11 74: All employees of the Tessellis Group are covered by social protection. Specifically:

- Sick leave is fully covered by the company.
- Work-related injuries are covered through integration with the national insurance institute (INAIL).
- Parental leave benefits are supplemented by INPS (the national social security institution).
- In the event of unemployment, INPS also provides benefit integration.
- Additionally, the company contributes to each employee's pension scheme.

S1-12 – People with Disabilities

S1-12 79, 80:

Number of Employees	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Employees with disabilities	**17**	**39**	**-**	**-**	**56**
Total number of employees	**487**	**610**	**-**	**-**	**1,097**
% of employees with disabilities	**3%**	**6%**			**5%**

With regard to colleagues with specific disabilities requiring particular protection, Tessellis has leveraged enabling technologies to allow for the virtualization of the workstation. In 2019, on an experimental basis, two employees were granted the opportunity to work entirely from their residences for one year. This arrangement has been extended through 2024. It is also worth noting that Tessellis has maintained for individuals classified as medically vulnerable – including those covered under the "Cura Italia" Legislative Decree and its subsequent extensions – the possibility to work 100% remotely throughout 2024.

S1-13 – Training and Skill Development Metrics

S1-13 83 b), 84:

Number of training hours per employee	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Executives	36	92			**128**
Middle managers	330	137			**467**
Employees	2,314	2,077			**4,391**
Workers	8	-			**8**
Total	2,688	2,306	-	-	**4,994**
Average number of training hours – Executives	1	12			4
Average number of training hours – Middle Managers	8	9			8
Average number of training hours – Employees	6	4			4
Average number of training hours – Workers	1	-			0
Average number of training hours – Total	6	4			5

In 2024, a total of **4,994 training hours** were delivered, with more than 88% allocated to the employee category. In terms of average training hours per professional category, middle managers received the highest number of hours on average, confirming the Group's strategic choice to strengthen training efforts directed at employed personnel.

S1-13 83 a), 84:

Number of employees who participated in periodic performance and career development reviews	as of 31 December 2024				
	Men	Women	Other*	Not Reported*	Total
Executives	-	1	-	-	**1**
Middle managers	-	1	-	-	**1**
Employees	11	9	-	-	**20**
Workers	-	-	-	-	**-**
Total	11	11	-	-	**22**
% of executives who participated in periodic reviews of performance and career development	0%	13%			3%
% of middle managers who participated in periodic reviews of performance and career development	0%	7%			2%
% of employees who participated in periodic reviews of performance and career development	3%	2%			2%
% of workers who participated in periodic reviews of performance and career development	0%	0%			0%
% of employees who participated in periodic performance and career development reviews	2%	2%			2%

S1-14 – Health and Safety Metrics

S1-14 88 a):

Number of people	as of 31 December 2024		
	Employees	Non-employee workers	Total
Number of employees covered by health and safety management systems	**1,097**	**-**	**1,097**
% of employees covered by health and safety management systems	**100%**		**1**

S1-14 88 b), c), d), e):

	as of 31 December 2024			
	Employees	Non-employee workers	Other workers operating at the company's sites, such as workers in the value chain if they operate at the company's sites	Total
Number of deaths as a result of work-related injuries	-	-	-	-
Number of deaths due to occupational diseases	-	-	-	-
Number of recordable occupational injuries	4	-		4
Number of hours worked	143,437	-		143,437
Recordable occupational injury rate	0.003%			0.003%
Number of recordable cases of occupational diseases*	-	-		-
Number of days lost due to work-related injuries*	135	-		135
Number of days lost due to occupational diseases*	-	-		-

** Voluntary for non-employees*

Historically, workplace injuries have been recorded as "commuting accidents," occurring during travel between home and the workplace or vice versa. This further confirms that the health and safety practices implemented within Tessellis are sound and effective in preventing injuries at operational sites due to shortcomings in the protection of worker safety attributable to existing practices and procedures.

With regard to occupational diseases, it is reported that no cases occurred within the company during 2024.

Additionally, non-employee workers who may be present on the Group's premises, such as interns, have also been taken into consideration. In this regard, it is noted that no workplace injuries were reported in the 2022–2024 biennium.

S1-15 – Work-Life Balance Metrics

All employees of the Group's workforce are entitled to parental leave, provided the necessary conditions are met. For women, this consists of a period of mandatory leave from work and a period of optional leave, while for men, participation is always on a voluntary basis.

S1-15 93 a):

	as of 31 December 2024	
Number of employees eligible for family leave	Number	%

Men	438	90%
Women	586	96%
Other*	0	0%
Not reported*	0	0%
Total	1,024.00	93%

S1-15 93 b):

Eligible employees who have taken family leave	**as of 31 December 2024**	
	Number	**%**
Men	91	21%
Women	257	44%
Other	0	0%
Not reported	0	0%
Total	348.00	34%

S1-16 – Remuneration Metrics (Pay Gap And Total Remuneration)

EUR	**as of 31 December 2024**		
	Men	**Women**	**%**
Average gross hourly wage	22	19	12%

S1-16 97 a), c): The gender pay gap for the year 2024 stands at 12%. This percentage was calculated in accordance with ESRS standards, considering the average gross hourly wage of male and female employees. The hourly wage for each employee was derived by dividing ordinary remuneration by the number of hours worked during the reference year. Outliers – cases with hourly wages exceeding EUR 100 – were excluded from the final calculation, as they could have skewed the results. These anomalies are primarily attributable to the highest-paid individuals in the Group or to those with exceptionally low working hours due to illness, leave of absence, or recent hiring (e.g. in December 2024), which would distort the effective relationship between pay and hours worked.

S1-16 97 b): To ensure pay equity, in 2024 the Group monitored the ratio between the remuneration of the highest-paid individual and the annual median remuneration of all employees within the Group's Italian companies. This ratio for 2024 stands at 11.64.

S1-17 – Incidents, Complaints and Severe Impacts Related to Human Rights

Tessellis considers diversity a valuable asset for its business and firmly rejects any form of discrimination based on gender, sexual orientation, nationality, physical or mental disability, ethnic origin, religious belief, marital status, language, social or economic background, political or trade union opinions. The company does not perceive differences as such and applies the same management tools and policies to all personnel. Interpersonal relationships and work relations among colleagues and collaborators, as well as with clients and suppliers, are based on mutual respect, with the goal of preserving personal dignity and avoiding any form of physical, verbal or psychological harassment.

Tessellis does not tolerate intimidation or mobbing behaviours towards colleagues or collaborators, nor individual pressure aimed at influencing the conduct or professional activities of individuals or groups.

In this regard, it is noted that during 2024, no incidents of discrimination were reported based on ethnicity, gender, religion, political opinion, nationality or social origin, nor based on age, disability, sexual orientation, or other conditions that may give rise to potential discrimination. Furthermore, no reports were received through the designated reporting channels.

S1-17 103 a), b), c):

Incidents of discrimination		
		as of 31 December 2024
	UoM	Total
Incidents of discrimination, including harassment	no.	-
Complaints submitted through channels to enable people in the enterprise's workforce to raise concerns (including grievance mechanisms) and, where appropriate, to OECD National Contact Points for Multinational Enterprises in relation to the issues defined in paragraph 2 of this standard, excluding those already reported above	no.	-
Total amount of fines, penalties and damages as a result of the incidents and complaints referred to above, and a reconciliation of these monetary amounts with the amount presented in the financial statements	EUR	-

ESRS S3 Interested Community

- **Strategy**

ESRS 2 SBM-2 – Interests And Views Of Stakeholders

ESRS 2, SBM-2, 7: When defining its corporate strategy, the Tessellis Group takes into account the opinions, interests, and rights of the affected communities, promoting their well-being through various initiatives and projects.

Through these **moments of engagement**, the Group has the opportunity to establish a constructive dialogue with the communities, gathering their needs in order to develop and enhance future initiatives.

The **Board of Directors** approves the results of the double materiality process, ensuring full alignment with the Group's corporate strategy, objectives, and business model, while respecting human rights and the interests of the communities involved.

For more details on the methods of engagement and dialogue with **local communities** – including **universities, research centres, media, and opinion leaders** – please refer to the section *"SBM-2 Stakeholders' Interests And Views"* within the chapter *"ESRS 2 – General Disclosures."*

ESRS 2 SBM-3 – Impacts, Risks And Opportunities And Their Interaction With The Strategy And Business Model

ESRS 2, SBM-3, 9 a) c): Within the scope of disclosure pursuant to ESRS 2, all affected communities that may be significantly impacted by the Group's activities – either directly or through its value chain, including products, services, and business relationships – have been taken into consideration. Specifically, Tessellis identifies the following stakeholder groups:

- **Local communities**, who benefit from access to the digital and telecommunications services provided by the Group.
- **Universities and Research Centres**, with which the Group collaborates to foster innovation and technological development through research projects and training programs.
- **Media and Opinion Leaders**, with whom the Group maintains dialogue to ensure transparent communication and gather feedback on its activities and initiatives.

From the double materiality assessment, no significant negative impacts, risks, or opportunities related to affected communities have been identified. However, the following two **positive impacts** have emerged:

- An **increase in local community well-being** through the promotion of social projects and continuous engagement with the territory (current impact);
- **Direct and indirect economic impacts** on families and local communities through job creation (recruitment) and the preference for local businesses in supplier selection (current impact).

The initiatives undertaken by Tessellis aim to improve citizens' quality of life and promote social inclusion, thereby benefiting the broader community regardless of geographic proximity to corporate offices.

Management of Impacts, Risks and Opportunities

S3-1 – Policies Related To Interested Communities

ESRS 2, 62: The Tessellis Group does not currently have formalized policies in place to manage the impacts, risks, and opportunities related to local communities, in line with the requirements of ESRS 2 MDR-P. However, Tessellis has adopted a **Code of Ethics** in which the Group acknowledges the direct and indirect influence of its activities on the conditions, economic and social development, and **overall well-being of the communities in which it operates**.

With regard to **relations with the media**, the Code of Ethics stipulates that such interactions are to be handled exclusively by the designated corporate functions, in order to ensure consistent and transparent communication. Accordingly, all other recipients of the Code must refrain from disclosing information related to the Group without prior authorization from the competent function. Furthermore, the dissemination of false or misleading information that could deceive the public is strictly prohibited.

Similarly, **sponsorship and patronage activities** – which may relate to events or initiatives of a sporting, cultural, scientific, social, humanitarian, environmental, or general interest nature – must be conducted in a transparent and proper manner, avoiding any form of undue pressure on the parties involved.

For further details on the Code of Ethics, please refer to section "*G1-1 – Policies on corporate culture and business conduct,*" within the chapter "*G1 – Business Conduct*."

S3-1, 15: Following the double materiality assessment, no material impacts on indigenous peoples were identified. As a result, the Group does not hold detailed information on policies for the prevention and management of such impacts.

S3-1, 16 a): In the field of human rights, in line with the principles set out in its Code of Ethics, the Tessellis Group is committed to conducting its activities in **full respect of the universal rights of individuals** and of local and national communities, supporting initiatives of cultural and social value.

S3-1, 16 b): The Group actively engages in dialogue with the local community through:

- **initiatives in support of the local area and community**, such as sporting, cultural, scientific, social, humanitarian, or environmental events and activities;
- **participation in working groups organized by trade associations**, including Confindustria Digitale and ASSTEL (Association of Telecommunications Operators);
- **collaborations with schools and universities**.

For more information on the methods of community engagement, please refer to the following paragraph *"S3-2 Processes for engaging with affected communities regarding impacts."*

S3-1, 16 c): As stated in the previous paragraph, no significant negative impacts on affected communities have been identified; therefore, any measures to address human rights impacts will be considered should such impacts occur.

S3-1, 16 c): As stated in the previous paragraph, no significant negative impacts on the affected communities have been identified; therefore, any measures to remedy human rights impacts will be considered should such impacts arise.

S3-1, 17: Tessellis is committed to respecting and promoting the protection of fundamental human rights within the community, as outlined in its Code of Ethics. In this regard, the Group's conduct may be considered aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Although the Code of Ethics does not explicitly reference these international standards, Tessellis is committed to carrying out its activities in full compliance with all applicable human rights regulations, without discrimination based on ethnicity, religion, gender, or any other distinguishing characteristics of affected communities.

Furthermore, it should be noted that no breaches of these Guiding Principles occurred during 2024.

S3-2 – Processes For Engaging With Affected Communities Regarding Impacts

S3-2, 21 a) b): The Tessellis Group places particular emphasis on maintaining a direct and continuous dialogue with local communities, integrating this commitment into its product and service offerings. Through numerous targeted initiatives and events, Tessellis **strengthens its connection with the region, social stakeholders, and communities, promoting awareness on socially relevant issues**. The frequency and format of community engagement vary depending on the specific initiative.

Tessellis' membership in **Confindustria Digitale (CD)** and **ASSTEL (the Association of Telecommunications Operators)** translates into a concrete commitment to local communities. These affiliations enable the Group to represent and safeguard the interests of these communities at a broader level, influencing political and economic decisions that affect their development. Through these associations, Tessellis contributes to the economic and social advancement of the territories in which it operates, fostering synergies and collaborations, protecting consumers by ensuring quality and safety standards in telecommunications services, and promoting innovation and digitalization.

In parallel, active participation in CD and ASSTEL ensures that Tessellis has constant access to up-to-date information on key sector issues and mitigation strategies adopted by major operators, both in labour relations and business practices. This ongoing insight enables the Group to operate more consciously and responsibly in the local context, anticipating potential challenges that could impact communities and identifying opportunities to support their development.

Furthermore, ongoing dialogue with institutions – facilitated by these trade associations – ensures that the voices and concerns of local communities are heard and taken into account, fostering an environment conducive to growth and collective well-being.

S3-2, 21 c) d): The responsibility for ensuring effective community engagement lies with the Regulatory Affairs function.

To assess the effectiveness of its community engagement efforts, Tessellis systematically collects stakeholder feedback at the conclusion of each event or initiative, with the aim of understanding and valuing their perspectives. Specifically, for certain projects, the level of community participation and engagement is measured through the use of **questionnaires**.

S3-2, 22: To better understand the perspectives of affected communities, the Group adopts an inclusive listening and engagement approach. With a particular focus on young people, Tessellis is committed to safeguarding the context in which it operates and promoting interaction and the exchange of experiences with **schools** and universities through events and guided visits to its premises.

In this regard, the Tessellis Group was the subject of a case study conducted by a research group from the Department of Economics and Business Sciences at the University of Cagliari. Tessellis played a central role in the university seminar ***"Financial and Sustainability Reporting: Lights and Shadows,"*** held on 29-30 November 2024 at the Fondazione di Sardegna in Cagliari. During the event, which brought together students, academics, and industry professionals, the research team presented a study focusing on the investment made by Tessellis (formerly Tiscali S.p.A.) in 2020 to install a photovoltaic plant aimed at reducing the energy consumption and CO_2 emissions of its technological infrastructure. This served as a basis for discussion on the role of non-financial reporting in corporate dynamics. In particular, Tessellis's sustainability report was used as a teaching case to illustrate ESG reporting best practices and the interaction between sustainability disclosures and financial reporting.

This collaboration highlighted how environmental investments can not only contribute to achieving ecological goals but also generate benefits in terms of economic performance. Tessellis stood out as a virtuous example of a company capable of combining technological innovation, environmental responsibility, and openness to the academic world, making a tangible contribution to the spread of a sustainability-oriented culture.

S3-3 – Processes to Remedy Negative Impacts and Channels for Affected Communities to Raise Concerns

S3-3, 27 a) b) c) d): This disclosure requirement is not applicable to the Tessellis Group, as no negative impacts related to the local community were identified following the double materiality assessment.

S3-4 – Actions Taken On Material Impacts On Affected Communities And Approaches To Managing Material Risks And Pursuing Material Opportunities For Affected Communities, As Well As The Effectiveness Of Those Actions

ESRS 2, 62: The Tessellis Group has not established an action plan that specifically complies with the MDR-A requirements. Nevertheless, certain actions have been implemented in response to the impacts identified through the Double Materiality assessment.

S3-4, 32 c): Tessellis has implemented various **actions and initiatives** with the primary objective of **generating positive impacts for the affected communities**.

Training initiatives for high school students

In 2024, Tiscali expanded and enhanced its initiatives aimed at **guiding and educating students from upper secondary schools across the Sardinia region**. These activities, which the Group has been pursuing for several years, gained greater prominence in 2024 and were structured in a more systematic and coherent manner.

Over the past year, approximately **80 hours of training** were delivered, **involving more than 2,300 students from all provinces of Sardinia**. The training sessions, led by managers, executives, and employees from various company departments, were held primarily through **guided educational visits to the Cagliari headquarters**, as well as during meetings at **schools or venues such as conference rooms and auditoriums**.

The key themes throughout these engagements were educational and professional orientation and civic awareness. In addition to introducing students to Tessellis' core activities in the **telecommunications, media, and tech sectors** – such as digital marketing and sales, network infrastructure, cybersecurity, and digital journalism – the company shared its expertise to address current topics such as cyberbullying, equal opportunities, fake news, artificial intelligence, and the challenges of an increasingly globalized market, effectively offering **civic education** lessons.

Within this context, four key collaborations stand out:

- **"La Nuova@Scuola"**: A multi-year project developed with the historic newspaper *La Nuova Sardegna*, aimed at promoting student engagement through newspaper reading and journalistic training, while also fostering connections between youth and regional businesses. As part of the initiative, students visiting the Cagliari headquarters explore various aspects of the telecommunications industry, starting from the experience and background of Tiscali and the Tessellis Group.
- **"Master Your Talent Day"**: A training program launched in 2024 for senior students of secondary schools, designed by Mab&CO – a company specializing in education, business consulting, and marketing. This structured orientation path involved Mab&CO professionals and partner companies like Tessellis, helping students discover their personal aptitudes and develop cross-functional skills to prepare for a more informed and effective entry into the workforce, while gaining insight into current labour market dynamics.
- **Collaboration with the "DonatoriNati" Association**: An initiative promoting awareness among young people on the themes of legality and the civic and ethical value of blood donation. The conference, held in October 2024 at Tiscali's Sa Illetta campus in Cagliari, welcomed over 150 high school students. During the event – part of a broader program titled ***"From Blood Spilled to Blood Donated"*** – the "Quarto Savona 15" display case was exhibited for the first time in a private venue, containing the remains of the escort car destroyed in the Capaci bombing on 23 May 1992. The car carried Antonio Montinaro, Rocco Dicillo, and Vito Schifani, alongside Judge Giovanni Falcone and his wife Francesca Morvillo.

  Tina Montinaro, widow of Falcone's head of security and President of the Quarto Savona 15 Association, addressed the students, urging them to take an active role in building a mafia-free society. The second part of the event focused on digital legality, highlighting online behaviour, associated risks and crimes, with a particular emphasis on cyberbullying. During the conference, Tessellis also launched the initiative *"Start Solidarity in Motion"*, a fundraising campaign to purchase a mobile blood donation unit for the DonatoriNati Association.
- **Scuola 4.0 Plan**: A project created to support Italian schools in developing innovative learning environments, in accordance with the Ministry of Education's *Scuola 4.0* guidelines. The project concluded at the end of November 2024, meeting the expected revenue target of EUR 2.1 million.

Research projects and collaborations with universities

- **IPCEI Programme**: Tessellis, together with TIM, Politecnico di Torino, Fondazione Bruno Kessler, ENEA, Engineering, Fincantieri, and Reply, is participating in the EU's flagship digital policy project *8RA*, funded under the Important Projects of Common European Interest (IPCEI) programme. The objective is to create a shared testing environment for cloud and edge technologies, with an investment of EUR 409 million in Italy out of a total of EUR 1.2 billion across Europe.

This project aims to foster interoperability and integration of cloud services in Europe, enable public and private investment in edge and cloud infrastructures, and facilitate the entry of new players into the market, thus expanding the ecosystem. The initiative represents a further step in Italy's industry-research collaboration, allowing domestic and international companies to experiment with and integrate innovative technological solutions tailored to their respective industries, using the edge platforms developed by the project partners.

The testbed will provide a shared platform for pilot programs, feasibility studies, and project validation, helping to optimise efficiency and accelerate the development of advanced technological solutions.

- **SDA Bocconi School of Management**: On April 22, 2024, Tessellis, through its main operating company Tiscali Italia S.p.A., hosted a high-level roundtable on the relationship between humans and machines and the impact of composable Artificial Intelligence. The event, organised in collaboration with the European FS Tech Hub of SDA Bocconi School of Management, brought together academic experts, industry professionals, and emerging talents to explore the critical role of AI in modern society. Thanks to the contributions of leading experts, the discussions addressed different vertical applications of AI in Italy, focusing on the technology's sustainability, scalability, and impact on democratic processes.
- **Thunderbird School of Global Management**: Tessellis, in partnership with the Thunderbird School of Global Management at Arizona State University, has launched the *Najafi 100 Million Learners Global Initiative* in Italy – a high-level online education programme accessible free of charge via the Tiscali.it portal.

  This initiative is led by the Thunderbird School of Global Management, globally recognised for its world-class faculty and ranked number one in international trade education, along with Arizona State University, which has been rated the most innovative university in the United States for nine consecutive years.

  The aim of the partnership is to facilitate access to the Najafi 100 Million Learners Global Initiative courses, promoting inclusive, equitable, high-quality, and free education.

  The programme offers online courses in 40 different languages, targeting a broad and diverse audience, with a particular focus on women and young people, who represent 70% of the beneficiaries. In today's rapidly evolving labour market, the initiative seeks to provide updated and practical skills to meet the growing demand for lifelong, inclusive learning. Through the Tiscali.it portal, users can access three executive training programmes in Italian, focused on entrepreneurship and innovation.
- **European Project LLMs4EU**: Tiscali is a member of the European consortium participating in the *LLMs4EU* project (*Large Language Models for the European Union*), coordinated by *ALT-EDIC* (Alliance for Language Technologies). This consortium was established on 7 February 2024 by the European Commission as part of the *Digital Europe Programme*, with the aim of enhancing Europe's linguistic and cultural diversity.

Participation in events and other projects that benefit the community

- **Rome Future Week**: In September 2024, Tessellis participated in the second edition of *Rome Future Week*, a festival dedicated to technological innovation and the future of technology, sponsored by the European Parliament and the Municipality of Rome. The event hosted hundreds of initiatives, including talk shows and workshops across eight thematic areas: technology; communication and new media; culture, creativity, and social innovation; energy and sustainability; smart cities and infrastructure; tourism, mobility, and transportation; research and education; financial innovation and economy; health, nutrition, wellness, and biotech. The festival targets a broad audience – from professionals to young people, companies, and universities – with the aim of creating a shared hub that connects players and active communities across different sectors.

  Tessellis contributed to the event with the *Tiscali Open Innovation Talk*, during which the Directors of the Group's main divisions, together with the Innovation Department, met with the founders of the startups Syllotips and Talentware to discuss innovation and partnerships. Rome Future Week represents an opportunity for the community to stimulate innovation-related debate, foster new collaborations, and offer citizens a unique chance to explore the latest technological trends and their impact on the future.

- **"Rigenerati dal lavoro" Project (*Regenerated Through Work*)**: This initiative promotes social inclusion by offering employment opportunities to individuals currently serving sentences in correctional facilities, supporting their reintegration into society.

  The project consists of two main phases:

  - A specialised training course aimed at transferring technical and digital skills required to refurbish and requalify end-user network devices installed in customer homes, with certification for the refurbishment of such electronic equipment.
  - The direct hiring of inmates by Linkem and Tiscali.

  Through the refurbishment of modems destined for market re-use, participants gain both professional skills and a renewed sense of dignity, helping them reintegrate into civil society. The project currently involves 19 inmates employed on fixed-term contracts across three workshops located in the correctional facilities of Lecce, Rebibbia, and UTA – Cagliari, as well as two individuals undergoing training at the Rebibbia facility.

  The initiative also supports social reintegration after incarceration, offering permanent contracts at the Rome headquarters. In November 2023, another participant was hired on a one-year fixed-term contract, confirming the project's commitment to supporting long-term reintegration.

  In 2024, the workshops in Uta (Cagliari), Lecce, and Rebibbia continued their refurbishment of network terminal equipment (both FWA and fibre), with the goal of promoting prison labour in the telecommunications and ICT sectors. Throughout 2024, 24 inmates worked in the workshops (Cagliari:

7; Lecce: 11; Rebibbia: 6). As of now, 15 inmates are actively working in the workshops (Cagliari: 4; Lecce: 6; Rebibbia: 5).

At the Rebibbia workshop, devices are refurbished on behalf of a telecommunications provider, generating revenue. As of 31 December 2024, revenue from the sale of these devices totalled approximately EUR 114,000. In 2024, a total of 15,829 modems were refurbished at the Rework Lab in Lecce, 27,720 at the Rebibbia Lab, and 12,863 at the Uta Lab.

S3-4, 32 d): The Group continuously evaluates the effectiveness of the actions undertaken by monitoring both the active participation of the individuals involved and the tangible results achieved. This ongoing assessment process makes it possible to introduce adjustments and improvements, ensuring that initiatives meet their objectives and have a positive impact on the community.

S3-4, 36: In 2024, no serious issues or incidents related to human rights were reported in connection with the affected communities.

S3-4, 38: To best manage the positive impact on local communities, the Tessellis Group invests financial resources in targeted projects and partnerships and allocates internal resources to ensure effective execution. Moreover, Tessellis is committed to transparently communicating the results achieved, using both internal and external channels, to foster awareness and community engagement.

- **Metrics and Targets**

S3-5 – Objectives related to the management of material negative impacts, enhancement of positive impacts, and management of material risks and opportunities

ESRS 2, 81: The Tessellis Group has not established objectives in line with the requirements of ESRS MDR-T. At present, no objectives have been defined to promote a positive impact on the local community.

- **Strategy**

ESRS 2 SBM-2 – Stakeholders' Interests and Views

ESRS 2, SBM-2, 8: The Tessellis Group integrates the interests, opinions, and rights of consumers and end users into its strategy and business model. This is achieved through **specific listening and engagement activities** that allow the Group to gather direct feedback and understand **market needs**.

This approach enhances the service offering and strengthens the trust-based relationship with customers, fostering a lasting and transparent connection.

The **Board of Directors (BoD)** approves the results of the double materiality process, ensuring their consistency with the Group's strategy, objectives, and business model, with particular attention to the respect for human rights and the protection of the interests of consumers and end users.

For more details on the methods of engagement and dialogue with customers, particularly consumers and consumer associations, please refer to the section *"SBM-2 Stakeholders' Interests and Views"* within the chapter *"ESRS 2 – General Disclosures."*

ESRS 2 SBM-3 – Material Impacts, Risks And Opportunities And Their Interaction With The Strategy And Business Model

ESRS 2, SBM-3, 10: Within the scope of disclosures pursuant to ESRS 2, consumers and end users who may be significantly affected by the Group's activities – either directly or through its value chain – have been taken into consideration.

ESRS 2, SBM-3, 10 a) ii: Considering the Group's material impacts, it is noted that some users of telecommunications services, internet, and digital platforms could be negatively affected in the event of impacts related to data privacy and protection.

ESRS 2, SBM-3, 10 a) iii: In order to safeguard consumers' health and safety, every product placed on the market is accompanied by detailed informational labels. This practice is essential, as it acknowledges the need for all consumers to have access to accurate, comprehensive, and easily understandable information regarding the features, proper usage, and potential risks associated with the products and services they intend to use. However, as outlined in the Service Charter, certain consumer categories – such as the elderly, people with disabilities, and citizens from socially vulnerable groups – have an even greater need to receive information in a clear, accessible format tailored to their specific needs.

ESRS 2, SBM-3, 10 a) iv: Among all consumers, the most vulnerable to marketing and sales strategies are the elderly – due to their heightened susceptibility to persuasive techniques – and *individuals from socially disadvantaged groups*, particularly those facing economic hardship, who may be more easily influenced by discounts and special offers.

ESRS 2, SBM-3, 10 b) i: The results of the double materiality assessment highlighted the following material negative impacts:

- Potential cases of cyberattacks or unauthorized access aimed at extracting or corrupting the Group's information, which may disrupt clients' activities (*potential impact*).
- Dissemination of inaccurate, misleading or deceptive information regarding the organization or its products (*potential impact*).

These impacts are considered widespread in the context in which the Tessellis Group operates.

ESRS 2, SBM-3, 10 c): The positive impacts deemed material as a result of the double materiality assessment are:

- Contribution to plurality, freedom of expression and publishing, through the development of a wide range of product content that reflects the diversity of cultures, perspectives, and stakeholder opinions (*current impact*).
- Fair dissemination of high-quality, reliable, and accessible content, including content tailored to the needs of persons with disabilities and/or vulnerable groups (*current impact*).
- Impacts linked to equitable and inclusive social development, particularly for vulnerable groups, through the accessibility of the Group's products or services (*current impact*).
- Greater product accessibility and adaptation to evolving industry trends through the creation, design, and development of innovative products and processes (including digitalisation – *current impact*).

ESRS 2, SBM-3, 10 d): The results of the double materiality assessment highlighted the following risks:

- Risk of economic repercussions due to IT platform breaches, resulting from inefficient protection systems, potentially leading to penalties and reputational damage caused by the leakage of sensitive customer data.
- Violation of current regulations on telemarketing and teleselling, with associated risks including reputational harm, customer loss, and the imposition of fines.

ESRS 2, SBM-3, 11,12: As defined in the Service Charter and in accordance with ESRS 2 DP, SBM-3 10 a), the Tessellis Group acknowledges that certain groups of end users are more vulnerable and, consequently, more exposed to potential negative outcomes. To identify these areas of vulnerability, Tessellis relies on customer satisfaction channels, analysing data from surveys and direct feedback to detect specific challenges encountered by these groups.

Within the double materiality assessment, the Group evaluated the impacts that may negatively affect customers and end users, as well as the associated risks, with particular attention to the needs of the most vulnerable categories (elderly people, individuals with disabilities, and citizens from disadvantaged social backgrounds).

- **Management Of Impacts, Risks And Opportunities**

S4-1 – Policies Related to Consumers and End Users

ESRS 2, 62: The Tessellis Group has not adopted formal policies for managing impacts, risks, and opportunities related to consumers and/or end users in accordance with the requirements of ESRS 2 MDR-P.

However, the Group has the following policies in place regarding consumers and end users:

- the Privacy & Cookie Policy;
- the **Code of Ethics**;
- the **Service Charter**.

Privacy & Cookie Policy

The **Privacy Policy** was drafted in accordance with EU Regulation 679/2016 (GDPR), with the aim of transparently and thoroughly describing the methods of processing personal data of users who access the website of Tiscali Italia S.p.A.

The Data Protection Officer, appointed by the Data Controller, can be contacted by regular mail or via the email address: privacy@tessellis.it.

The personal data processed mainly include:

- information such as name, address, telephone and/or mobile number, date of birth, gender, and email address;
- credit/debit card details, bank account information, or other payment data;
- payment dates, subscriptions, offers;
- login credentials and preferences regarding products, services, and activities;
- data contained in articles and publications from the News Portal.

Once provided, the personal data will be processed for the following purposes:

- provision of the requested services;
- provision of services offered and advertised on the site;
- compliance with legal obligations;
- statistical processing of anonymized data.

Failure to provide such data may result in the inability to deliver the requested service. Moreover, data processing is performed using both manual and electronic tools to ensure the security and confidentiality of the data.

Users have the following rights regarding the processing of their personal data:

- *Right of access:* Users may request confirmation as to whether their personal data is being processed and, if so, receive a copy of the data held by the Data Controller.
- *Right to rectification or update:* Users may request correction of inaccurate data or completion of missing data.
- *Right to data portability:* As of 25 May 2018, users may request their data (e.g., personal or payment information, offer-related or website registration data) in a readable format for transfer to others, within 30 days of the request. For corporate clients (except sole traders or freelancers), the request must come from an authorized representative.
- *Right to restrict processing:* Users may request restriction of data processing, meaning the data will be used only for storage purposes under specific conditions, e.g.:
  - dispute over accuracy,
  - legal necessity, and
  - pending objection verification.
- *Right to erasure of personal data:* The Data Controller retains the data subject's personal data only for the period necessary to provide the requested service or to comply with legal obligations. The user may therefore request the deletion of their data if it is no longer necessary (once the contract has ended and there are no outstanding issues for at least six months), by submitting a request, unless there are legal obligations or reasons of public security/legal defence that require otherwise.
- *Withdrawal of consent and right to object:* The user may withdraw consent at any time. Furthermore, the user may object to the processing of their data for direct marketing purposes and, in specific situations, to processing based on the legitimate interest of Tiscali Italia S.p.A., unless the company can demonstrate compelling legitimate grounds (e.g., legal defence).

The data subject may lodge a complaint with the Italian Data Protection Authority (Garante per la Protezione dei Dati Personali) if they believe their rights have been violated under the GDPR and applicable regulations.

The **Cookie Policy** provides detailed information on the use of cookies, which are small text files that websites send to and store on users' devices while browsing, to be retransmitted to the same sites upon subsequent visits.

The website uses only technical navigation or session cookies, which do not require explicit consent for their use and are essential for the proper functioning of the site and for allowing users to access requested content and features. Profiling cookies are not used, only cookies for generating statistics using pseudonymized and minimized data.

Users can manage their cookie settings through their browser preferences.

Code of Ethics

The **Code of Ethics** emphasizes the Group's primary commitment to fully satisfying the needs of its customers, through business relationships based on the principles of legality, fairness, and transparency. Recipients of the

Code are required to adapt their behaviour according to their role, in order to contribute to the achievement of this goal.

In addition, Tessellis is committed to avoiding any form of arbitrary discrimination against individual customers, to providing high-quality products and services that meet the legitimate expectations of its clientele, and to ensuring speed and completeness in the dissemination of information in advertising, commercial, or other communications.

For more information on the Code of Ethics, please refer to paragraph *"G1-1 – Policies on corporate culture and business conduct"* within the chapter *"G1 – Business Conduct."*

Service Charter

The **Service Charter** was drafted in accordance with the Directive of the President of the Council of Ministers dated 27 January 1994 and the resolutions of the Communications Regulatory Authority (AGCOM) nos. 179/03/CSP, 156/23/CONS, and 23/23/CONS. It is a document that provides detailed information on how customers can submit reports, suggestions, requests for clarification, and complaints. It also defines service standards, as required by current telecommunications regulations, such as continuity, regularity of service provision, and prompt restoration in the event of service disruption.

Therefore, the Service Charter aims to simplify and streamline the relationship with customers, outlining the conduct principles and commitments undertaken by Tiscali Italia S.p.A. regarding the quality of the services provided. The Service Charter is periodically updated and should be read in conjunction with the contractual terms of individual services.

The fundamental principles of the Service Charter are:

- *Equality and Impartiality:* Tiscali Italia S.p.A. guarantees fair and non-discriminatory services to all users.
- *Continuity:* The Group is committed to providing regular services and minimizing disruptions.
- *Efficiency and Effectiveness:* Tiscali Italia S.p.A. aims for continuous service improvement through advanced technological and organizational solutions.
- *Transparency:* Information regarding the economic and technical features of the services provided, contract withdrawal procedures, and contractual changes is provided in a clear and accessible manner.
- *Parental Control:* Tiscali Italia S.p.A. offers free services to protect minors online.

Moreover, Tiscali Italia S.p.A. constantly monitors the quality of its services, publishing results on its website. The quality indicator values for the services provided are monitored and published on Tiscali Italia S.p.A.'s support site in compliance with AGCOM directives.

Quality indicators are defined for both fixed and mobile services, including billing complaints, billing accuracy, activation and repair times, etc.

Various sections of the Service Charter provide information and procedures related to:

- Service activation;

- Number migration and portability, including timeframes and procedures;
- Protection of personal data;
- Credit balance refund and mobile number portability;
- Billing corrections and management of arrears;
- Contract withdrawal and termination procedures;
- Channels for submitting complaints and Tiscali Italia S.p.A.'s response times;
- Automatic compensation for delays in activation, relocation, and unjustified suspensions;
- Compensation related to operator switching procedures, other types of service disruptions, or discrepancies between contractual conditions and quality standards.

S4-1, 16 a): The **Service Charter** focuses on respecting the human rights of consumers and end users by affirming the principle of equality and impartiality.

In fact, Tiscali Italia S.p.A. ensures the provision of its services according to principles of fairness and non-discrimination, applying service delivery rules uniformly to all customers, regardless of gender, race, language, religion, or political opinions.

This commitment to equality is reflected in the prohibition of any unjustified discrimination, while also recognizing the diversity of individual social and personal conditions. Furthermore, the Group is committed to ensuring equal treatment for all citizens residing within its coverage area, including those in geographically hard-to-reach locations.

Tiscali Italia S.p.A. also guarantees special attention in the management of services for people with disabilities, the elderly, and socially disadvantaged citizens, basing its customer interactions on criteria of objectivity, neutrality, and impartiality.

The section of the document titled *"Privacy Protection and Guarantees"* highlights the company's commitment to safeguarding users' personal data and ensuring their rights in this regard, in accordance with Legislative Decree No. 196/2003 (Italian Privacy Code) and EU Regulation No. 679/2016 (GDPR).

S4-1, 16 b): As stated in the Service Charter, Tiscali Italia S.p.A. assesses customer satisfaction by analysing customer interactions, the content of complaints received, and through specifically conducted public opinion surveys.

S4-1, 16 c): Within the section *"Complaints and Compensation",* the procedures for submitting complaints by consumers are outlined in cases of non-compliance with the stated principles or contractual conditions. Additionally, the compensation measures provided for in the event of violations of consumer rights related to the provision of services are specified.

S4-1, 17: The contents of the Service Charter and the Code of Ethics reflect the Group's commitment to equality and impartiality, non-discrimination, attention to vulnerable segments of the population, and data privacy protection. These documents can therefore be considered consistent with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. No violations of these guiding principles were reported in Tessellis' downstream value chain during 2024.

S4-2 – Processes For Engaging With Consumers And End-Users Regarding Impacts

S4-2, 20: Meeting customer needs is a key element of the Tessellis Group's strategy and a core value that drives every aspect of its operations.

Customer centricity for Tessellis means placing the customer at the centre of the value chain, ensuring that every action and decision is addressed to them, responding promptly to service requests and proactively anticipating their needs and desires in an innovative way.

Furthermore, consumers' perspectives guide decisions and activities aimed at managing impacts, risks and opportunities, ensuring that business strategies remain aligned with market expectations and needs.

The provision of fast, high-quality connectivity services to citizens, along with the development of personalised, innovative and secure solutions, is therefore a strategic priority for the Group.

S4-2, 20 a): Tessellis places great importance on service quality control and on strengthening customer satisfaction. To this end, the Group engages directly with consumers to gain a full understanding of their needs and circumstances.

In addition, Tessellis collaborates with Consumer Associations to help safeguard consumer rights, define its offerings, improve service quality, and promote information and awareness.

S4-2, 20 b) c): The customer satisfaction monitoring system measures customer satisfaction according to the specific contact channel used for reporting. The main indicators tracked are **courtesy** and **competence**.

Customer engagement is therefore carried out through the collection and analysis of customer feedback, which is also gathered via alternative channels to telephone, such as Chat and the Reserved Area – channels that have seen increasing appreciation in recent years.

Customer Satisfaction results are subject to constant monitoring and are shared weekly with the operational managers of Customer Care and with the heads of all other corporate functions.

S4-2, 20 d): Sharing results is one of the tools available to those working in Customer Care to reinforce the importance of their role in handling customer requests with quality and care. For this reason, any deviations from established standards are immediately analysed to enable targeted interventions on processes and procedures, as well as on the training and behaviour of operators.

In 2024, the Group further intensified the efforts already initiated in previous years, aimed at consolidating and strengthening its relationship with its customer base. To this end, dedicated operational management teams were established to work alongside operators and team leaders on a daily basis, fostering continuous improvement.

S4-2, 21: Customer satisfaction channels are also used to understand the perspective of more vulnerable consumers and end-users, ensuring that their needs are adequately taken into account and integrated into the company's strategies. This enables the Group to gather feedback and develop more inclusive and accessible solutions.

S4-3 – Processes To Remediate Negative Impacts And Channels For Consumers And End-Users To Raise Concerns

S4-3, 25 a): The Group relies on structured mechanisms for collecting customer complaints, as outlined in the Charter of Services, in order to remediate any negative impact caused to consumers or end-users.

Compliance with this procedure ensures the fairness and integrity of the response process to reports submitted by customers or other interested parties. It also enables the improvement of service delivery by identifying the appropriate counterparts for resolution and addressing the root causes underlying the complaint.

S4-3, 25 b) c): The Tessellis Group provides multiple channels through which consumers can raise concerns and receive assistance.

Customers may file a formal complaint in the event of non-compliance with the principles outlined in the Charter of Services or the General Terms and Conditions, using one of the following channels: regular mail, certified email (PEC), fax, or telephone. Complaints must be submitted within three months of the event in question, or within 60 days of the due date for invoice-related issues.

Tessellis responds to complaints within 45 days of submission. If a complaint is rejected, the Group will issue a written explanation detailing the reasons. Additionally, a compensation system is in place for specific service disruptions or failure to meet quality standards, subject to a formal request as outlined in the Charter.

Moreover, the Group has implemented two **self-care** platforms:

- My Tiscali, for customers using fixed or mobile services,
- My Linkem, for customers using FWA technology.

These platforms, accessible via website and mobile app, serve as secure, simplified customer portals that allow users to:

- Subscribe to additional services,
- Update personal data and service preferences,
- View and pay invoices online,
- Submit and track assistance requests independently, without direct contact.

These tools complement traditional phone support and digital channels such as WhatsApp, chatbot, and voice Bot. Telephone support is segmented into specialized divisions for mobile and fixed-line services. The fixed-line service is further divided into technical and commercial support teams operating seven days a week, both for residential and business customers, and managed entirely by the in-house Customer Care team.

In 2024, the Group continued the integration of technical expertise across its three Customer Care sites to improve service response quality. Additionally, AI-powered digital channels such as VoiceBot and ChatBox were further enhanced. These systems interpret natural language to provide accurate responses or redirect the request to the appropriate human support agent when needed.

Importantly, users always retain the option to interact with a human operator.

S4-3, 25 d): Through the analysis of the content of received complaints, Tessellis is committed to:

- continuously verifying the quality of the services provided and assessing customer satisfaction levels;
- defining a quality improvement plan by adjusting corporate processes to enhance current standards.

S4-3, 26: Through its online portals, Tessellis provides consumers with detailed information on the channels and processes for reporting concerns and requesting assistance. The Service Charter is also available online on the website.

S4-4 – Actions Taken on Material Impacts on Consumers and End-Users, and Approaches to Managing Material Risks and Seizing Opportunities Related to Consumers and End-Users, Including the Effectiveness of Such Actions

ESRS 2 62: The Tessellis Group has not established a formally structured action plan in accordance with the MDR-A requirement. However, several initiatives have been implemented to manage its impacts, risks, and opportunities in relation to consumers and end-users, as described below.

S4-4, 31 a) 32 a) b): To ensure maximum transparency and fairness towards consumers – and in compliance with current regulations and the sector's self-regulatory code – all Tessellis communication campaigns are subject to prior oversight by the Legal Affairs Department. The review process is ongoing, and its effectiveness is evidenced by the positive results achieved. Each **advertisement** is subjected to a preliminary assessment to verify the absence of misleading or deceptive wording.

To mitigate potential negative impacts on consumers and end-users, the company adopts a communication strategy towards prospects and customers that is consistently based on principles of transparency. This translates into simple and easy-to-understand offers, clear pricing without hidden costs or ambiguous clauses, and a relationship with customers built on complete and honest information to support informed decision-making.

In line with the objective of the Italian Communications Authority (AGCOM) to protect consumers – especially regarding service quality and transparency – Tessellis is committed to providing accurate commercial information in a clear and understandable manner.

To this end, Tessellis has actively participated in the following regulatory proceedings:

- AGCOM Resolution no. 23/23/CONS, which concludes the procedure for adopting provisions on the quality and service charters for mobile and personal communications;
- AGCOM Resolution no. 156/23/CONS, which concludes the procedure for adopting provisions on the quality and service charters for publicly accessible fixed-line electronic communications;

- AGCOM Resolution no. 436/22/CONS, which initiates the procedure to revise the rules and quality indicators for customer service;
- AGCOM Resolution no. 307/23/CONS, which concludes the work on implementing the Electronic Communications Code regarding the protection of end users, through the adoption of the new "Regulation containing provisions to protect users in contracts for the provision of electronic communications services."

To safeguard the data and information of its customers, the Group operates under the regulation and oversight of the **Italian Data Protection Authority**, which intervenes across all public and private sectors to ensure the correct handling of data and respect for fundamental rights in the use of personal information.

Furthermore, to ensure maximum reliability in its systems for data security, protection, and storage, the Group has voluntarily obtained certifications including **ISO 9001, ISO 27001**, and the related extensions **ISO 27017, ISO 27018, and ISO 20000-1**.

S4-4, 31 c): Tessellis adopts a **"value for money"** positioning in the telecommunications market: for the same cost, its fixed and mobile network services deliver greater value than competitors, or alternatively, equivalent services at more competitive prices. This strategic focus characterizes both its fixed and mobile telecom offerings. Leveraging its synergy with Linkem in the Ultrabroadband market, Tessellis stands out for its ability to provide the best connectivity across the national territory at a uniform rate, overcoming geographical disparities.

Moreover, the Group is among the first operators to offer FTTH (Fiber to the Home) services with speeds up to 1 Gbps in so-called "extended digital divide areas." Tessellis also provides **Fixed Wireless Access (FWA)** connectivity solutions, including 5G coverage via the Opnet network, ensuring stable, high-speed internet even in areas not served by fibre or with limited infrastructure – such as rural and peripheral zones – thereby promoting digital inclusion.

S4-4, 31 d) 32 c): Tessellis monitors consumer privacy compliance through the role of the Data Protection Officer (DPO), who is responsible for providing training and information on data protection obligations in accordance with the GDPR.

In addition, another method used to assess the effectiveness of the actions implemented is the measurement of customer satisfaction, carried out through the Group's customer satisfaction monitoring system.

S4-4, 33 a): The double materiality assessment identified the following two risks:

- Risk of economic repercussions due to violations of IT platforms resulting from inadequate protection systems, potentially leading to fines and reputational damage caused by the leakage of customers' sensitive data.
- Violation of current regulations on telemarketing and teleselling, with reputational risks, potential loss of customers, and financial penalties.

In relation to the first risk, following the merger with Linkem (on 1 August 2022), which involved the acquisition of Linkem's customer data, the Tessellis Group implemented tools such as the **GoPrivacy software**, in compliance with Article 30 of the EU General Data Protection Regulation (GDPR) No. 679/2016, to manage the Register of data processing activities.

Tessellis constantly updates its contracts with suppliers and partners, carrying out checks on their privacy systems whenever they are appointed as data processors. The Group also schedules regular corporate training plans on personal data processing.

In relation to the second risk, since 2023 Tessellis has adhered to the **"Code of Conduct for Call Centre Activities"**, approved by the Italian Communications Authority (AGCOM). This Code was developed within the AGCOM working group to ensure correct application of the telemarketing and teleselling regulations and promote broader dissemination of principles aimed at protecting consumers.

S4-4, 34: To avoid causing or contributing to significant negative impacts, the Tessellis Group adopts management and control practices aimed at preventing and mitigating adverse effects on consumers. These include the continuous design and improvement of its service offerings, the promotion of transparent communication, and full compliance with personal data protection regulations (GDPR). For further details, please refer to the actions previously described.

In 2024, a personal data security incident was reported and promptly handled. After implementing all necessary security and remediation measures, the incident was transparently disclosed to the affected individuals.

S4-4, 35: In 2024, no serious issues or incidents related to human rights involving consumers and end users were reported.

S4-4, 37:

- **Metrics and Targets**

S4-5 – Objectives Related to the Management of Material Negative Impacts, the Enhancement of Positive Impacts, and the Management of Material Risks and Opportunities

ESRS 2, 81: The Tessellis Group has not established objectives in line with the ESRS MDR-T requirements. Nonetheless, it monitors its progress as detailed below.

S4-5, 41 a): As established in the Service Charter, Tiscali Italia S.p.A. periodically discloses the values of indicators measuring the quality of services provided, in accordance with the requirements set by the Italian Communications Authority (AGCOM). In particular, Tiscali Italia S.p.A. distinguishes between quality indicators for fixed-line services and those for mobile services.

The following table presents the quality indicators for fixed-line voice telephony services and mobile services, along with the related targets set for 2024. Actual results for the year will be published, as required by law, by 30 June 2025.

Quality objectives for fixed location voice telephony services		
Indicator	Measure	Value

Complaints about charges	Ratio of the number of complaints received in the reporting period to the number of invoices issued in the same period	1.0%
Accuracy of billing	Ratio of the number of disputed invoices recognized as well-founded that generate a re-credit of the amounts to the Customer through another invoice with adjustment or a credit note issued in the reporting period to the total number of invoices issued in the same period	1.2%
Service activation time	Average delivery time for orders completed in the survey period	Copper: Percentile 95 of supply time: 40 gg Percentile 99 of supply time: 60 gg Percentage of valid orders completed by the date agreed with the customer: 97% Fiber: Percentile 95 of supply time: 40 days Percentile 99 of supply time: 60 gg Percentage of valid orders completed by the date agreed with the Customer: 97%.
Failure rate	Ratio of the number of actual malfunction reports to the average number of access lines	Direct services provided with own facilities: NA Direct services provided with other operator's facilities: 8%
Malfunction repair time	Time elapsed between the customer reporting an actual malfunction and its elimination	Direct services provided with own facilities 1. Percentile 80: 30 hours 2. Percentile 95: 100 hours Direct services provided with other operator's facilities 1. Percentile 80: 30 hours 2. Percentile 95: 100 hours
Quality objectives for mobile and personal services		
Indicator	Measure	Value

Complaints about charges	Ratio of the number of complaints (in written or other traceable form recognized by the operator and indicated in the service charter) received in the survey period under consideration to the number of invoices issued in the same period	Postpaid services: 1.5%
	Ratio of the number of complaints (in written or other traceable form recognized by the operator and indicated in the service charter) regarding charges received in the survey period under consideration to the average number of active SIM cards in the same period	Prepaid services: 2%
Accuracy of billing	Ratio of the number of invoices (regardless of the period of issuance) subject to objections recognized as well-founded that generate a re-credit of the amounts to the customer by means of another invoice with adjustment or credit note issued in the reporting period to the total number of invoices issued in the same period	Postpaid service: 0.9%
Service activation time	Time, measured in hours, that elapses between the time when the valid order was recorded by the operator and the time when the service is actually available for use by the service requester	Prepaid services: 95% Percentage of delivery time: <= 1 hour Percentage of valid orders completed within the maximum contracted time: 97% Post-paid services: 95% percent of supply time: <= 8 hours Percentage of valid orders completed within the maximum contractually stipulated time: 97%.
Mobile service accessibility	Percentage of voice and/or data connection establishment requests originated or terminated by customers that are successful	99%

In addition to these objectives, the Tessellis Group also monitors two key KPIs related to customer satisfaction: **courtesy** and **competence**.

The analysis of 2024 data shows consistent satisfaction levels expressed by customers regarding these aspects, despite the reorganization of Customer Care and the ongoing technology transition affecting the customer base. The 2024 values are:

Courtesy satisfaction: 95%;

Competence satisfaction: 85%.

S4-5, 41 b): The monitoring of service quality objectives, in line with the resolutions of the competent authority AGCOM, has been carried out since 2008 by the Group's most material company, Tiscali Italia S.p.A., through the measurement of the required indicators on a semi-annual and annual basis.

The definition and publication of these objectives are performed annually, in compliance with the provisions of Resolutions No. 179/03/CSP, No. 79/09/CSP, 23/23/CONS, and 156/23/CONS.

S4-5, 41 c): Tessellis carries out ongoing monitoring and control activities on the services offered in order to continuously improve the quality standards required by applicable regulations. Since 2023, the Group has been actively engaged in this process by establishing dedicated operational management teams that work alongside operators and team leaders on a daily basis to ensure continuous improvement in performance.

8.4 Information on Governance

ESRS G1 – Business Conduct

- **Governance**

ESRS 2 GOV-1 – Role Of The Administrative, Management And Supervisory Bodies

ESRS 2 GOV-1, 5 a) b): For further details on the roles and responsibilities of the administrative, management, and supervisory bodies, please refer to the chapter *"ESRS 2 – General Disclosures,"* under the section *"ESRS 2 GOV-1 – Role of the administrative, management and supervisory bodies."*

- **Management Of Impacts, Risks And Opportunities**

ESRS 2 IRO-1 – Description Of The Processes For Identifying And Assessing Relevant Impacts, Risks, And Opportunities

ESRS 2 IRO-1, 6: With regard to the description of the processes for identifying and assessing relevant impacts, risks, and opportunities, please refer to the section "Management of impacts, risks, and opportunities" included in the chapter *"ESRS 2 – General Disclosures."*

This section presents the impacts, risks, and opportunities related to business conduct that were deemed material following the double materiality assessment. Specifically, the material impacts include:

- Increased awareness and culture of ethics and anti-corruption among management, employees, business partners, and other stakeholders (current positive impact);
- Potential improvement of suppliers' ESG performance and success, also through screening and environmental/social assessment activities (current positive impact);
- Inadequate management of supplier relationships, including payment delays, which has negative effects, especially on local SMEs (potential negative impact);

- Promotion of ethics and fairness by communicating and training employees, business partners, and other stakeholders on anti-corruption regulations and procedures, and more broadly on sound competitive conduct (current positive impact);
- Reputational loss and economic instability as a result of potential corruption incidents (whether involving public authorities or private actors – potential negative impact);
- Potential non-compliance with laws, regulations, and internal and external sustainability standards applicable to the sector, with related social, environmental, and economic negative consequences (potential negative impact).

The material risks are:

- Risk of losing suppliers' trust due to delayed payments, resulting in increased costs caused by inefficiencies in service delivery;
- Inadequacy of internal procedures and training programs to prevent corrupt acts and other regulatory violations, leading to fines, sanctions, and reputational damage.

The material opportunities are:

- Opportunity to play a key role in regulatory and industry evolution through communication and interaction with governments and local institutions, generating benefits in terms of enhanced reputation and increased competitiveness for the Group;
- Improved service quality from suppliers as a result of responsible relationship management by the Group, with positive impacts on operational productivity and efficiency, leading to favourable economic and financial outcomes.

G1-1 – Policies On Corporate Culture And Business Conduct

G1-1, 9: The Tessellis Group is firmly committed to operating with integrity and transparency, safeguarding its reputation and the rights of all stakeholders, particularly shareholders and employees. Aware of the importance of ethical and social responsibility, Tessellis has identified a clear and transparent set of values that guide all its activities, thereby ensuring its current and future development.

The Group's main policies concerning corporate culture include:

- Code of Ethics
- Engagement Policy
- Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001
- Whistleblowing Procedure

Code of Ethics

The **Code of Ethics** defines the principles of corporate conduct that must guide all managerial and operational processes of the Tessellis Group. These principles must also be followed in internal professional relationships, collaborations, and business dealings.

Moreover, the Code of Ethics sets out conduct rules aimed at preventing the commission of crimes and behaviours contrary to corporate values. As such, it constitutes an essential and functional component of the Organisation, Management and Control Model adopted pursuant to Legislative Decree No. 231/2001.

Tessellis acknowledges the importance of ethical and social responsibility and is committed to operating in compliance with the interests of all stakeholders and the communities in which it operates. In parallel, the Group requires all recipients of the Code – including shareholders, directors, employees, agents, internal and external collaborators, suppliers, business partners, and any individuals with contractual relationships, even on an occasional or temporary basis – to comply with the Code's rules and principles.

The provisions of the Code are intended to preserve the company's integrity and ensure compliance with ethical and professional standards, as well as current laws and regulations. Tessellis upholds the following fundamental ethical principles, which must guide all activities to ensure sound operation, reliability, and corporate reputation:

- *Legality:* Tessellis operates in full compliance with national and international laws, regulations, and internal procedures. Recipients of the Code must adhere to the principles of legality, with particular focus on preventing the offenses listed in Legislative Decree No. 231/2001. No business interest justifies illegal conduct, and the Group discontinues relationships with those who violate the principle of legality.
- *Impartiality:* Tessellis prohibits any form of discrimination based on age, gender, sexual orientation, health, nationality, political opinions, or religious beliefs. The Group fosters an inclusive work environment and guarantees equal opportunities. The selection of employees and collaborators is based on merit, competence, professionalism, and ethical conduct, avoiding any potential conflicts of interest.
- *Honesty, loyalty, and transparency:* Code recipients must act with sincerity and transparency, in line with universally accepted moral principles and in full compliance with the law, the Code, and internal procedures. They are also expected to act with fairness, honour commitments, and ensure consistency between actions and stated values.
- *Fair use of authority:* The Group ensures that authority in the establishment and management of contractual relationships with hierarchical implications is exercised fairly and properly, avoiding any form of abuse.
- *Protection of individuals:* Tessellis safeguards the physical and moral integrity of all stakeholders. Behaviours that undermine the physical safety or personal dignity of individuals are not tolerated.
- *Confidentiality:* The Group is committed to protecting the confidentiality of the information in its possession, using it in compliance with applicable laws. The processing of personal data of collaborators and third parties is carried out in accordance with the law. Additionally, Tessellis requires third parties to whom it discloses confidential information to comply with specific confidentiality agreements.

- *Free competition:* The Group recognizes free competition as a key factor in corporate growth and improvement. Tessellis is committed to complying with antitrust laws and avoiding misleading conduct, abuse of dominant position, or unfair competition.

Compliance with these rules is an integral part of the contractual obligations of employees and other Code recipients. Tessellis is committed to applying sanctions that are consistent, impartial, and proportionate to any breaches of the Code, in accordance with current employment legislation and applicable national collective agreements.

Engagement Policy

The Group recognises that establishing and maintaining a transparent and continuous dialogue with institutional investors, financial analysts, and all shareholders is both a strategic interest and an essential duty towards the market. This dialogue is based on the principles of truthfulness, timeliness, clarity, consistency, completeness, and equal access to information. The primary goal of the Engagement Policy is to ensure timely and transparent disclosure regarding Tessellis' overall performance, with particular focus on the company's purpose. At the same time, the Group aims to gather constructive feedback and proposals, encouraging the conscious exercise of stakeholders' rights.

Dialogue with shareholders is conducted in full compliance with the principle of equal treatment. All activities related to such dialogue – as well as those concerning other relevant stakeholders – are carried out in accordance with applicable regulations and internal procedures on price-sensitive information.

The *Engagement Policy*, approved by the Board of Directors on 5 April 2022, defines the roles responsible for managing dialogue with all shareholders and relevant stakeholders. These parties include the Board of Directors (including each individual director) and the Investor Relations Department.

In particular, the Board of Directors promotes the development of transparent and continuous forms of engagement with all shareholders, taking into account the engagement policies of key stakeholders, and launches initiatives to foster dialogue with other relevant parties. Moreover, the Board is the competent body for adopting, disclosing, implementing, and reviewing the Engagement Policy, upon proposal by the Chair (in agreement with the CEO).

The Investor Relations Department is specifically responsible for maintaining ongoing interactions with investors, analysts, and shareholders, collecting dialogue requests and reporting them to the Chair and CEO. When necessary, the department coordinates with the CFO and other internal functions to conduct a proper preliminary assessment, gathering the relevant and necessary information to respond to interested parties. It also manages communications with stakeholders and prepares documentation for the Board of Directors.

Dialogue with shareholders, institutional investors, and other stakeholders – whether during Shareholders' Meetings or separate events – primarily focuses on matters within the competence of the Board of Directors. These include, with due regard to confidentiality and corporate interests, strategy, outlook and financial performance, corporate governance, remuneration policies, sustainability and environmental topics, internal control systems, and risk management.

Tessellis communicates and interacts with shareholders through various tools and channels.

Information dissemination is ensured via the prompt and continuous publication of relevant materials on the company's website, addressed to institutional investors, financial analysts, and all shareholders. Documentation available in both Italian and English includes press releases and periodic financial reports approved by the relevant corporate bodies (standalone and consolidated financial statements, half-year reports, non-financial statements), as well as the Articles of Association, disclosures on *internal dealing*, the corporate governance report, and the remuneration report. Additionally, the "Governance" section of the website features profiles of key governing and control bodies and documentation prepared for shareholders' meetings.

The *proactive and reactive engagement process* with shareholders and institutional investors may include the organisation of one-to-one or group meetings and conference calls, the distribution of "save the date" announcements, relevant press releases, and quarterly presentations via dedicated mailing lists, as well as participation in roadshows and conferences (in-person or virtual) through individual or group meetings.

The Shareholders' Meeting represents a privileged institutional occasion for interaction with shareholders. To this end, Tessellis is committed to providing all information required by law in a timely manner, offering live streaming of meeting proceedings, and enabling shareholders entitled to vote to submit questions on agenda items, including prior to the meeting itself.

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

Tessellis is committed to ensuring transparency and fairness in its corporate activities, safeguarding its reputation and the interests of its stakeholders. Given the specific nature of its business, since 2005 Tessellis has implemented an internal control system aimed at preventing unlawful conduct by directors, employees, agents, representatives, business partners, and other external collaborators. In compliance with Legislative Decree No. 231/2001, Tessellis has adopted the Organisation, Management and Control Model (hereinafter also referred to as to the "MOG") with the following main objectives:

- To raise awareness among all recipients of the Model about the importance of complying with its provisions, highlighting the disciplinary sanctions applicable in the event of violations;
- To reaffirm that Tessellis condemns all forms of unlawful conduct, as they contradict both legal requirements and the company's ethical principles, regardless of any apparent benefit;
- To inform stakeholders of the serious economic and legal consequences that could result from the sanctions under Legislative Decree No. 231/2001, affecting both Tessellis and its stakeholders;
- To implement ongoing monitoring and supervision of corporate activities, allowing timely intervention in case of risks and the application of the disciplinary measures set out in the Model.

The MOG consists of a General Section and several Special Sections. The General Section outlines the purpose and guiding principles of the Model and governs its key components, such as the Supervisory Body, training and dissemination of the Model, general principles of the internal control system, and the disciplinary system. The Special Sections set out the guidelines and behaviours that all members of the organisation (employees, directors, statutory auditors, etc.) must follow to prevent the commission of offences identified in Legislative

Decree No. 231/2001 within activities considered “at risk”, and to ensure transparency and fairness. There are nine Special Sections, each addressing:

1. Offences against Public Administration and the judiciary;
2. Corporate crimes and market abuse;
3. Crimes against individual personality;
4. Counterfeiting of currency, public credit cards, revenue stamps, and instruments or signs of recognition; crimes against industry and commerce; copyright infringement;
5. Cybercrimes and unlawful data processing;
6. Organised crime, terrorism, subversion of democratic order; receiving, laundering, self-laundering and use of money, goods or other assets of illicit origin; crimes involving non-cash means of payment; fraud in sports competitions; illegal betting;
7. Manslaughter and serious or very serious injuries due to violations of health and safety laws; employment of third-country nationals without legal residency;
8. Environmental crimes and crimes related to the protection of cultural heritage;
9. Tax crimes and smuggling offences.

All principles and rules of conduct outlined in the Model are integrated with those expressed in the Code of Ethics. The recipients of the MOG include directors, executives and top management, employees, collaborators, agents, representatives, consultants, suppliers, business partners and, more generally, anyone operating in “sensitive” areas on behalf of or in the interest of Tessellis.

As provided for in Article 6 of Legislative Decree No. 231/2001, a Supervisory Body (SB) has been established to ensure the effective implementation and continuous updating of the Model. The SB’s main responsibilities are to:

- Monitor the actual effectiveness of the Model, verifying the consistency between company activities and the adopted Model;
- Assess the adequacy of the Model in terms of its ability to prevent unlawful conduct;
- Verify that the Model continues to meet its objectives over time;
- Propose modifications and updates based on its assessments;
- Continuously check the implementation and operational effectiveness of the recommended measures.

The Supervisory Body is appointed by the Board of Directors and operates as a collegiate body, with independent powers of initiative and control. The SB members must meet the following requirements: integrity, autonomy and independence, professionalism, and continuity of action. The SB periodically updates the Control and Risk Committee on its activities and submits a dedicated report to the Board of Directors every six months.

In March 2023, the 231 Model was updated to reflect recent regulatory changes relevant to Tessellis, particularly the new predicate offences related to non-cash means of payment and the protection of cultural heritage. The update also considered organisational and structural changes stemming from the 2022 merger within the Tessellis Group.

G1-1, 10 b): DP G1-1, 10 b) is not applicable to the Group. Tessellis has adopted an Organisation, Management and Control Model in compliance with Legislative Decree No. 231/2001. This regulation is legally grounded in several international and EU conventions ratified by Italy. The contents of the 231 Model have been drafted in accordance with the principles set out in the United Nations Convention against Corruption.

Whistleblowing Procedure

G1-1, 10 a), 10 c) i: In implementation of Directive (EU) 2019/1937, transposed into Italian law by Legislative Decree No. 24/2023, the Whistleblowing Procedure was approved in September 2023 to manage the receipt, analysis, and handling of reports concerning irregular conduct potentially in breach of the 231 Model, the Code of Ethics, and the corporate procedures of the Tessellis Group.

The Procedure applies to Tessellis S.p.A. and its subsidiary Tiscali Italia S.p.A.. Furthermore, the document serves as a reference for the other Tessellis Group subsidiaries not formally included within its scope, which may adopt it in accordance with their specific legal frameworks, internal processes, and organisational structures.

Reports may relate to:

- violations of national laws (including administrative, accounting, civil, and criminal offences);
- breaches of the 231 Model;
- violations of EU provisions;
- actions detrimental to the financial interests of the European Union;
- breaches of internal policies and procedures;
- any behaviour detrimental to the interests of Tessellis;
- any violation or critical issue concerning workplace health and safety;
- cybersecurity breaches or attempts thereof;
- process control failures or the disregard of operational or compliance procedures.

Whistleblowing reports may be submitted by: employees (whether permanent or temporary), self-employed workers, freelancers, consultants, interns, shareholders, and individuals performing administrative, management, supervisory, or representative roles.

Reports may be submitted through the following channels:

- internal channels established by Tessellis (to be used as a priority);
- external channel with the National Anti-Corruption Authority (ANAC);
- public disclosures;
- notifications to the Judicial Authority.

The internal channels established by Tessellis include:

- written reports via the IntegrityLine platform;
- oral reports via a dedicated voicemail (with voice distortion to ensure anonymity), also accessible through the IntegrityLine platform;
- existing channels provided by the Supervisory Body, i.e., the email inboxes of the SB or the postal address of its Chair.

The Whistleblowing Case Manager is responsible for the efficient and timely handling of reports submitted through the IntegrityLine platform. In particular, the Case Manager must:

- issue an acknowledgment of receipt within seven days;
- ensure proper follow-up of the report;
- maintain communication with the whistleblower, if needed;
- provide a status update within three months of receipt;
- communicate the final outcome of the investigation to the whistleblower.

Two Case Managers have been appointed: an external lawyer and a member of the Group's Internal Audit function, both nominated by the Board of Directors and selected for their autonomy, independence, and impartiality.

The Case Manager reports semi-annually to the Board of Directors and the Board of Statutory Auditors of Tessellis, presenting a summary of the reports received, excluding any personal data. In addition, an annual report is submitted to the Chairs of the Supervisory Bodies, given their role in overseeing matters related to the 231 Models and the Code of Ethics.

G1-1, 10 c) ii: The Whistleblowing Procedure ensures the highest level of confidentiality and privacy in handling reports received, safeguarding both the whistleblower and the reported party. It also upholds the Tessellis Group's values of transparency, freedom, sustainable success, and responsible conduct. The protections provided under whistleblowing legislation include:

- ensuring confidentiality and data protection;
- prohibiting retaliatory acts.

These protections are extended not only to the whistleblower, but also to all individuals who may suffer retaliation – either directly or indirectly – because of their involvement in reporting, disclosing, or denouncing misconduct, or due to their relationship with the whistleblower. Specifically, the protections apply to:

- facilitators, i.e., individuals who assist the whistleblower in the reporting process and operate within the same working environment;
- individuals within the same workplace as the whistleblower who are linked to them by a stable emotional bond or by kinship up to the fourth degree;
- colleagues of the whistleblower;
- entities owned by, employing, or operating within the same context as the whistleblower.

Confidentiality is guaranteed both for the identity of the whistleblower and for the content of the report, which may not be disclosed without the whistleblower's consent, except in specific cases within disciplinary or legal proceedings where disclosure is essential for the right of defence. Any breach of confidentiality obligations may result in administrative sanctions by ANAC and internal disciplinary measures.

Moreover, any form of retaliation against the whistleblower is strictly prohibited, including attempted or threatened retaliation, such as dismissal, suspension, denial of promotion or demotion, changes in duties or workplace, salary reduction, training suspension, disciplinary action, or any other form of sanction.

G1-1, 10 e): The Supervisory Body (SB) is responsible for monitoring the compliance of recipients with the provisions of the Model in relation to the various types of offences covered by Legislative Decree No. 231/2001.

To effectively carry out its supervisory activities, the SB may rely on the support of other internal control functions, particularly the Internal Audit and Legal departments. The Organisational, Management and Control Model (MOG) sets out the internal control mechanisms implemented by the SB following the receipt of reports. For further details, please refer to ESRS G1-3, paragraph 18 b).

G1-1, 10 g): Tessellis ensures the proper dissemination of the contents and principles of the Organisational, Management and Control Model (Model 231) and the Code of Ethics, both within and outside its organisation. Communication and training activities are tailored according to the type of recipients but must always be guided by the principles of completeness, clarity, accessibility and continuity, to ensure that all parties fully understand the corporate rules and ethical principles to be followed.

Participation in training programmes is mandatory for all designated recipients and must be properly documented. Training plans are managed by the Human Resources Department, in collaboration with and under the supervision of the Supervisory Body (SB). Training also covers the reporting tools established by whistleblowing legislation.

Training on Model 231 is delivered annually. In 2024, it was specifically addressed to the corporate functions identified as most exposed to the risk areas covered by certain Special Sections of the Model, particularly with reference to Tax Offences and Offences against Third Parties and Public Administration.

G1-1, 10 h): Within Tessellis, the functions most exposed to the risk of active and passive corruption are the Business-to-Business (B2B) commercial functions, the Regulatory Affairs function, and Facility Management.

G1-2 – Supplier Relationship Management

ESRS 2, 62: The Group does not have a formal policy in place to prevent payment delays to suppliers. However, the Treasury function ensures careful cash flow planning as soon as a liability arises towards a supplier, with the aim of guaranteeing timely payments.

In the event of potential difficulties in meeting payment obligations by the agreed deadlines, the Treasury function, through the managers responsible for supplier relations, undertakes to contact counterparties in order to reschedule payment due dates by mutual agreement, in line with cash flow projections.

G1-2, 15 a): The Group recognises the strategic importance of suppliers in ensuring high-quality services for its customers and strengthening its competitiveness. Tessellis is committed to building long-term relationships with suppliers, based on integrity, transparency and objectivity, in order to ensure that the standards and quality levels of products and services are aligned with the company's purpose and reputation.

The criteria for supplier selection include:

- Optimisation of purchasing and contractual conditions;
- Non-negotiable principles of transparency;
- Economic efficiency;
- Compliance with applicable regulations.

Suppliers of products and/or services that have a direct impact on service quality, information security, business continuity, and the management of information technology services must meet specific qualification criteria and hold ISO certifications.

Tessellis performs a preliminary assessment of the compatibility between company needs and the supplier's production capacity, and analyses their financial soundness in order to minimise the risk of supply disruptions. Collaboration with suppliers includes:

- Ongoing evaluation and monitoring, including the use of environmental questionnaires for high-impact supplies;
- Regular communication to strengthen the partnership and define action plans to address any critical issues.

G1-2, 15. b): Tessellis takes into account the environmental certifications obtained by its suppliers by requiring their inclusion in the Supplier Portal during registration and using them as an assessment element in the supplier qualification process. Moreover, Tessellis requires all suppliers – regardless of whether they have their own Code of Ethics – to accept the Group's Code of Ethics.

To evaluate the environmental impact of its suppliers, Tessellis conducts an in-depth assessment through a targeted questionnaire. The key questions are designed to gather detailed information across several areas:

- *Environmental certifications*: information on Environmental Management Systems, specifying any certifications held (e.g., ISO 14001, EMAS, ECOLABEL);
- *Waste*: main types of waste produced, and information on any appropriate agreements for the disposal of special waste;
- *Emissions*: type of flue gas treatment system and relevant documentation (e.g., emissions authorisation, tests proving compliance with emission limits for large combustion plants, statements regarding negligible air pollution, or analysis certifying compliance with limits for volatile organic compounds);
- *Wastewater discharges*: information on wastewater treatment facilities at the production site and relevant documentation (e.g., discharge permits, authorisations for stormwater and first-flush water, annual discharge reports, and compliance analyses);

- *Noise*: noise assessments confirming compliance with regulatory limits;
- *Hazardous substances*: types of hazardous substances used;
- *Use of natural resources*: strategies for minimising/optimising the consumption of resources (e.g., energy, water, materials);
- *Green purchasing*: procurement criteria favouring “green” purchases (i.e., products and services with reduced impact on human health and the environment).

G1-3 – Prevention and Detection of Active and Passive Corruption

G1-3, 18 a): In line with the Group’s commitment to combating active and passive corruption, the internal control system has been strengthened through the adoption of specific behavioural protocols, detailed in the Special Sections of the 231 Model that address crimes against Public Administration and corruption between private entities. Specifically, offences against the Public Administration are addressed in Special Section One, while corruption between private parties is covered in Special Section Two of the MOG.

The behavioural protocols set out in these Special Sections consist of obligations and/or prohibitions that apply both internally and to external parties interacting with Tessellis. In order to preserve and enhance its integrity and reputation, the Group controls and monitors its most sensitive business activities – particularly those involving public entities, suppliers, consultants, partners, and employees. These activities, deemed “sensitive” and thus more exposed to risk, are identified through internal risk assessments.

Accordingly, the Group defines, implements, and disseminates specific corporate procedures that govern the performance of these sensitive or related activities. These procedures also aim to regulate and detail the reporting system and information flows to the Supervisory Body.

As a general rule, the Group requires the collection and retention of documentation related to any interaction with Public Administration and prohibits any activity – whether direct or via intermediaries – that could compromise independent judgment or secure any advantage for the Group.

G1-3, 18 b): The Head of the Human Resources Department is responsible for imposing disciplinary sanctions on all Tessellis employees and executives following an investigation into alleged violations of the MOG, including cases of active and passive corruption. This investigation may be conducted either directly by the Head of Human Resources or, alternatively, by other Corporate Functions such as the Legal Department, the Internal Audit Department, the Supervisory Body, or external consultants.

The person in charge of the disciplinary process must carry out all investigations deemed necessary and/or appropriate to verify the violations in question.

G1-3, 18 c): The Supervisory Body promptly reports to the Board of Directors and the Board of Statutory Auditors any established violations of the Model that may give rise to liability for Tessellis, so that appropriate measures can be taken. Furthermore, the SB submits a semi-annual report to the Board of Directors and the Board of Statutory Auditors, detailing the verification and monitoring activities carried out and the outcomes thereof.

G1-3, 20: Tessellis ensures that employees have access to and can consult the 231 Model, control protocols, and related corporate procedures via the company intranet and the training platform. To facilitate understanding of the Model, employees participate in targeted training programs, tailored to their level of involvement in risk-related activities (pursuant to Legislative Decree No. 231/2001). Members of the corporate bodies are provided with a copy of the MOG and, in 2024, participated in induction sessions. Employees are kept informed through communications regarding any changes to the 231 Model as well as procedural, regulatory, or organizational updates.

To ensure maximum transparency and accessibility, the General Section, the Code of Ethics, and the Whistleblowing Procedure are published on the Tessellis website, making them available to external parties interacting with the Group.

G1-3, 21 a): In 2024, the Tessellis Group conducted training activities on the Whistleblowing Procedure and on the sections of the 231 Model dedicated to preventing corruption involving Public Administration and private entities. Three training sessions were held for approximately 135 employees from the Finance, Regulatory, Sales, and Human Resources departments.

Additionally, a dedicated training and awareness session was organized for 20 senior managers, focusing on the 231 Model, the Whistleblowing Procedure, and the information flows to the Supervisory Body.

G1-3, 21 b, c):

Training Sessions	Functions involved*	Topics	Duration	Mode	Employees	Executives	Total
1	1 P.A. and B2B sales 2. Regulatory 3. Finance 4. Business Innovation & Future Community + Funded Projects	*MOG. 231; Special Parts MOG. 231 Bribery offenses towards P.A. and private individuals; Whistleblowing; SB verifications*	2hrs	On line	106	4	110
2	People Value	*Practical cases on MOG 231 inherent in human resources*	1hour	On line	9	1	10
3	All FIRST LINE Executives	*Specific training and awareness on Law No. 231 - Whistleblowing - Information flows to the SB*	1hour	On line	0	20	20
		Total			**115**	**25**	**140**

** All risk functions were involved in the training provided.*

- **Metrics and Targets**

G1-4 – Confirmed Cases Of Active Or Passive Corruption

G1-4, 24 a): In the course of 2024, the Tessellis Group did not receive any reports of corruption incidents, either internally or involving actors within the value chain. Consequently, no sanctions were imposed for violations of anti-corruption regulations.

G1-6 – Payment Practices

G1-6, 33 a): The average time taken by the Tessellis Group to pay an invoice, starting from the date on which the contractual or legal payment term begins, is 103 days. This indicator was calculated by considering all items/invoices paid to suppliers in 2024 and then determining the weighted average – based on the value of the payments – of the number of days between the invoice date (or document date) and the value date of the corresponding payment. It should be noted that the calculation is affected by disputed items with the Group's main service providers, which have an impact on the final figure.

G1-6, 33 b): The main costs for the Group are represented by line rental and interconnection costs, incurred for the use of telecommunications services provided by specialised operators. These costs can be divided into two categories, based on the services provided to customers:

- Fibre and Mobile Services: For line rental costs relating to fibre and mobile services, the suppliers are Fibercoop, TIM, Fastweb, and Open Fiber. Contractual terms are 60 days for Fibercoop, TIM, Open Fiber, and Fastweb. Fibercoop and TIM are regularly paid at the invoice due date, while Open Fiber and Fastweb are paid 30 days after the due date (unless disputed). 68.47% of payments to suppliers in this category comply with the agreed payment terms.
- FWA Services: For line rental costs relating to FWA services, the current supplier is Opnet Srl. Invoices are due in 45 days and are paid regularly. 100% of payments to suppliers in this category comply with the agreed payment terms.

Considering both supplier categories, as well as other business-related costs, the percentage of supplier payments made within the standard terms is 73.78%.

G1-6, 33 c): It should be noted that, as of the date of this document, there are three relevant pending court cases due to late payment.

G1-6 Payment Practices	
	Description
33. a) Average time taken by the company to pay an invoice from the date on which the contractual or legal payment period begins to be calculated, expressed in number of days	103
33. b) Percentage of payments meeting standard terms.	73.78%
33. c) Number of court cases currently pending due to late payment.	3

For the purpose of calculating the average time taken to pay invoices, as well as determining the percentage of payments made in accordance with contractually agreed terms for the 2024 financial year, a limited sampling activity was carried out: the calculation was performed on almost the entire consolidated scope, excluding only invoices from non-material companies for which the cost-benefit ratio of retrieving the data was too high. The excluded invoices represent 5% of the total.

8.5 Annexes

ESRS	Topic	Sub Topic	Sub Sub Topic	IRO	IRO Description	Nature and Time Horizon	Boundary
E1	Climate Change	Adaptation to climate change		Impact	Promotion of energy efficiency/renewable energy use initiatives within the organization, and related decrease in associated greenhouse gas emissions (direct and indirect Scope 1/Scope 2 emissions)	Current Positive Impact – Short Term	Upstream Operations
				Risk	Physical climate change hazards of the Group's locations and sites, particularly rising temperatures and sea levels, which could cause damage to production facilities and temporary or permanent disruptions to business operations, impacting costs and assets	Short, Medium and Long Term Risk	Upstream Operations
		Climate change mitigation		Impact	Increased energy consumption within the organization and along the organization's value chain and related greenhouse gas emissions (Scope 1 / Scope 2 / Scope 3)	Current negative impact – Short Term	Upstream Operations Downstream
				Risk	Risks associated with the transition to a low-carbon economy that requires compliance with new legislation and regulations, which may impact the Group's costs and revenues.	Short, Medium and Long Term Risk	Operations
		Climate Change Adaptation/Climate Change Mitigation		Opportunity	Opportunity to contribute to CO2 reduction by optimizing the company car fleet, reducing the share of diesel-powered vehicles in favour of hybrid/electric vehicles	Short, Medium and Long Term Opportunity	Upstream Operations Downstream
		Energy		Impact	Depletion of available resources caused by consumption of non-renewable energy (non-renewable fuels) for business operations	Current Negative Impact – Short Term	Operations
				Risk	Risk of rising costs related to energy supply, including rising prices of energy from non-renewable sources, such as oil and natural gas, also due to the development of international, geopolitical, and macroeconomic conjunctures and directly affecting operations	Short, Medium and Long Term Risk	Operations
				Opportunity	Increasing the share of internally self-generated electricity, which would make the Group more self-sufficient, less exposed to risks related to price trends and availability of energy resources, and consequently reduce costs.	Short, Medium and Long Term Opportunity	Operations

E5	Resource use and circular economy	Resource inflow and use		Impact	Increased reuse/recycling practices, waste reduction, and proper material disposal (including with reference to relevant regulations on high-tech products)	Current Short-Term Positive Impact	Operations Downstream
		Waste		Impact	Impacts related to potential non-compliance with regulations in the area of waste disposal and other hazardous substances and/or environmental protection.	Potential Negative Impact- Medium Term	Operations Downstream
		Resource inflow and use Waste		Opportunity	Strengthening of the Group's image and alignment with consumer expectations through the adoption of circular economy initiatives, with positive effects on the economic dimension due to increased revenues from the re-entry of remanufactured equipment into the market, in addition to reputational benefits.	Short, Medium and Long Term Opportunity	Operations Downstream
S1	Own workforce	Working conditions	Secure employment, Working hours, Adequate wages, Social dialogue, Freedom of association, Existence of works councils and workers' rights to information, consultation and participation, Collective bargaining, including the percentage of workers covered by collective agreements, Work-life balance	Impact	Increased worker well-being and satisfaction through compliance with contractual conditions (e.g., working hours), protection of freedom of association and work-life balance, and promotion of competitive remuneration	Current Short-Term Positive Impact	Operations
			Health and Safety	Impact	Increased awareness of health and safety issues among employees and contractors through health and safety promotion activities, dedicated training and accurate risk management, resulting in a reduction in the incidence of workplace injuries	Current Short-Term Positive Impact	Operations
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value, employment and inclusion of people with disabilities, measures against violence and harassment in the workplace, diversity	Impact	Promotion of an inclusive culture that fosters diversity, equity and inclusion at all levels within the Group, and facilitates the expression of everyone's talent and uniqueness	Current Short-Term Positive Impact	Operations
				Impact	Potential incidents of discrimination/harassment/abuse within company operations, including discriminatory practices with particular reference to accountability, compensation, and career advancement	Potential Negative Impact – Medium Term	Operations
				Opportunity	Increased attractiveness of talent and consequently their productivity through the establishment of a positive corporate climate generated through initiatives that promote the uniqueness of each individual, generating positive impacts on the	Short, Medium and Long Term Opportunity	Operations

					Group's economic and financial performance		
			Training and skills development	Impact	Positive impacts on talent attraction and retention due to the presence of individual training plans that foster skill development and career advancement	Current positive impact	Operations
				Opportunity	Opportunity arising from investment by the Group in training paths (soft and hard skills) resulting in the attractiveness and productivity of highly qualified personnel, with positive impacts on the Group's performance	Short, Medium and Long Term Opportunity	Operations
		Other work-related rights	Privacy	Impact	Secure and informed management of information and data, in line with stakeholder needs and expectations, and consistent with applicable regulations	Current Short-Term Positive Impact	Operations
				Risk	Risk associated with theft of sensitive data and information and subsequent disclosure causing damage to reputation or business continuity, as well as possible legal sanctions.	Short, Medium and Long Term Risk	Operations
S3	Affected communities	Economic, social and cultural rights of communities	Land-related impacts, Security-related impacts.	Impact	Increasing the welfare of the local community by promoting social projects and constantly engaging with the local area	Current Short-Term Positive Impact	Operations
				Impact	Direct/indirect economic impacts on local families and communities through the generation of professional opportunities (recruitment) and support, in the selection of suppliers, for local businesses	Current Short-Term Positive Impact	Operations
S4	Customers and end users	Information-related impacts for consumers and/or end users	Confidentiality	Impact	Potential cases of cyber-attacks, unauthorized access aimed at extracting or corrupting Group information, which may harm customers' businesses	Potential Negative Impact – Medium Term	Operations
				Risk	Risk of economic repercussions due to breach of IT platforms due to inefficient protection systems, resulting in penalties and reputational damage due to leakage of sensitive customer data	Short, Medium and Long Term Risk	Operations
			Freedom of expression	Impact	Contribution to plurality, freedom of expression and publishing by developing a wide range of product content to represent the multiplicity of cultures, perspectives and opinions of stakeholders	Current Short-Term Positive Impact	Operations
			Access to (quality) information	Impact	Equitable dissemination of quality, reliable and accessible content, including in relation to the needs of people with disabilities and/or vulnerable groups	Current Short-Term Positive Impact	Operations
		Social inclusion of consumers and/or end users	Non-discrimination	Impact	Impacts related to equitable and inclusive social development, including the most vulnerable groups, through the accessibility of its products or services	Current Short-Term Positive Impact	Operations
			Access to products and services	Impact	Increased product accessibility and adaptation to evolving industry trends through activities to create, conceive and develop innovative products and processes (including digitization)	Current Positive Impact- Short Term	Operations
				Impact	Dissemination of inaccurate, misleading or deceptive	Potential Negative	Operations

			Responsible business practices		information about the organization or its products	Impact – Medium Term	
			Non-discrimination, Access to products and services, Responsible business practices	Risk	Violation of current telemarketing and teleselling regulations with risks related to reputation, loss of customers, and payment of penalties.	Short, Medium and Long Term Risk	Operations
G1	Business Conduct	Corporate culture		Opportunity	Opportunities to play a major role in regulatory and industrial developments through communication and interaction with local governments and institutions, generating benefits regarding image enhancement and increased competitiveness of the Group	Short, Medium and Long Term – Opportunity	Upstream Operations Downstream
		Corporate Culture, Protection of Whistleblowers		Impact	Growth of awareness and culture of ethics and anti-corruption by management, employees, business partners and other stakeholders	Current Short-Term Positive Impact	Upstream Operations Downstream
		Supplier relationship management, including payment practices		Impact	Potential improvement of suppliers' ESG performance and to their success, including through social/environmental screening and assessment activities	Current Short-Term Positive Impact	Upstream Operations Downstream
				Impact	Inadequate management of supplier relationships, including payment timing, which has negative effects, especially for local SMEs	Potential negative impact – Medium term	Upstream Operations Downstream
				Risk	Risk related to loss of supplier confidence due to delayed payment times resulting in increased costs as a result of inefficiencies due to delayed service delivery.	Short, Medium and Long Term Risk	Upstream Operations Downstream
				opportunity	Increased quality of service rendered by the supplier due to responsible relationship management by the Group, with positive impacts on productivity and efficiency of operations with positive economic and financial consequences.	Short, Medium and Long Term Opportunity	Upstream Operations Downstream
		Active and passive corruption	Prevention and detection including training	Impact	Dissemination of ethics and fairness by communicating and training employees, business partners, and other stakeholders on anti-corruption regulations and procedures, and generally on good competitive conduct	Current Short-Term Positive Impact	Upstream Operations Downstream
				Risk	Inadequacy of internal procedures and training programs in order to prevent corrupt acts and other violations of regulations, resulting in fines, penalties and reputational damage.	Short, Medium and Long Term Risk	Upstream Operations Downstream
			Incidents	Impact	Loss of reputation and repercussions on economic stability as a result of any corruption incidents (whether towards public administration and public authorities or between private individuals)	Potential Negative Impact- Medium Term	Upstream Operations Downstream
				Impact	Potential non-compliance with applicable laws, regulations, internal and external standards in the area of industry sustainability, with associated negative social/environmental/economic consequences	Potential Negative Impact- Medium Term	Upstream Operations Downstream

8.6 European Taxonomy Tables

Share of turnover from products or services associated with taxonomy-aligned economic activities – Disclosure for the year 2024

FY 2024		2024		Criteria for substantial contribution						DNSH ("do no significant harm") criteria									
Economic activities	Code (a)	Turnover	Revenue share, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Share of turnover aligned (A.1.) or eligible (A.2.) to the taxonomy, year 2023	Enabling activity category	Transition activity category
		EUR/000	%	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with taxonomy)																			
Power generation by solar photovoltaic technology	4.1 (CCM)	0	0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No	0%	-	-
Preparation for reuse of end-of-life products and components	5.3 (CE)	0	0%	N/AM	N/AM	N/AM	N/AM	No	N/AM	No	No	No	No	No	No	No	0%	-	-
Data processing, hosting and related activities	8.1 (CCM)	0	0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No	0%	-	T
Programming and broadcasting activities	8.3 (CCA)	0	0%	N/AM	No	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No	0%	A	-
Turnover of environmentally sustainable activities (aligned with taxonomy) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**No**	**0%**		
Of which enabling		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**No**	**0%**	**A**	
Of which transitional		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**No**	**0%**		**T**
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																			
				AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)	AM; N/AM(c)	AM; N/AM (c)	AM; N/AM (c)										
Power generation by solar photovoltaic technology	4.1 (CCM)	0	0%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0%		
Preparation for reuse of end-of-life products and components	5.3 (CE)	114.7	0.05%	N/AM	N/AM	N/AM	N/AM	AM	N/AM								0.07%		
Data processing, hosting and related activities	8.1 (CCM)	902.4	0.42%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.51%		
Programming and broadcasting activities	8.3 (CCA)	0	0%	N/AM	AM	N/AM	N/AM	N/AM	N/AM								0%		
Turnover of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		1017.2	0.47%	89%	0%	-	-	11%	-								0.58%		
A. A. Turnover of activities eligible for the taxonomy (A.1+A.2)		1017.2	0.47%	89%	0%	-	-	11%	-								0.58%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover of activities not eligible for the taxonomy		215,973.5	**99.53%**																
TOTAL		216,990.6	**100%**																

	Share of Turnover/Total Turnover	
	Aligned activities by target	**Eligible activities by target**
CCM	0%	0,42%
CCA	0%	0%
WTR	0%	0%
CE	0%	0.05%
PPC	0%	0%
BIO	0%	0%

(a) The code includes the abbreviation of the environmental objective to which the economic activity can make a substantial contribution, and the section number of the activity in the corresponding annex of the objective, namely: climate change mitigation (CCM); climate change adaptation (CCA); water and marine resources (WTR); circular economy (CE); pollution prevention and control (PPC); and biodiversity and ecosystems (BIO).

(b) Yes – The activity is taxonomy-eligible and aligned with the taxonomy for the relevant environmental objective;
No – The activity is taxonomy-eligible but not aligned with the taxonomy for the relevant environmental objective;
N/AM – Not eligible; the activity is not taxonomy-eligible for the relevant objective.

(c) AM – Activity eligible under the taxonomy for the relevant objective; and
N/AM – Activity not eligible under the taxonomy for the relevant objective.

Share of capital expenditures (CapEx) from products or services associated with taxonomy-aligned economic activities — Disclosure for the year 2024

Financial Year 2024	2024			Criteria for substantial contribution						DNSH ("do no significant harm") criteria						
Economic activities	Code (a)	CapEx	Share of CapEx, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards
		EUR/000	%	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																
A.1 Environmentally sustainable activities (aligned with taxonomy)																
Power generation by solar photovoltaic technology	4.1 (CCM)	0	0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No
Preparation for reuse of end-of-life products and components	5.3 (CE)	0	0%	N/AM	N/AM	N/AM	N/AM	No	N/AM	No	No	No	No	No	No	No
Data processing, hosting and related activities	8.1 (CCM)	0	0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No
Programming and broadcasting activities	8.3 (CCA)	0	0%	N/AM	No	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No
CapEx of environmentally sustainable activities (aligned with taxonomy) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**No**
Of which enabling		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**No**
Of which transitional		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**No**
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																
				AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)							
Power generation by solar photovoltaic technology	4.1 (CCM)	0	0%	AM	N/AM	N/AM	N/AM	N/AM	N/AM							
Preparation for reuse of end-of-life products and components	5.3 (CE)	0	0%	N/AM	N/AM	N/AM	N/AM	AM	N/AM							
Data processing, hosting and related activities	8.1 (CCM)	0	0%	AM	N/AM	N/AM	N/AM	N/AM	N/AM							
Programming and broadcasting activities	8.3 (CCA)	0	0%	N/AM	AM	N/AM	N/AM	N/AM	N/AM							
CapEx of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0	**0%**	0%	0%	-	-	0%	-							
A. A. CapEx of activities eligible for the taxonomy (A.1+A.2)		0	0%	0%	0%	-	-	0%	-							
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																
CapEx of activities not eligible for taxonomy		43,431.4	**100%**													
TOTAL		43,431.4	**100%**													

	Share of Turnover/Total Turnover	
	Aligned activities by target	**Eligible activities by target**
CCM	0%	0,42%
CCA	0%	0%
WTR	0%	0%
CE	0%	0.05%
PPC	0%	0%
BIO	0%	0%

(a) The code includes the abbreviation of the environmental objective to which the economic activity can make a substantial contribution, and the section number of the acti
the objective, namely: climate change mitigation (CCM); climate change adaptation (CCA); water and marine resources (WTR); circular economy (CE); pollution prevention a
and ecosystems (BIO).

(b) Yes – The activity is taxonomy-eligible and aligned with the taxonomy for the relevant environmental objective;
No – The activity is taxonomy-eligible but not aligned with the taxonomy for the relevant environmental objective;
N/AM – Not eligible; the activity is not taxonomy-eligible for the relevant objective.

(c) AM – Activity eligible under the taxonomy for the relevant objective; and
N/AM – Activity not eligible under the taxonomy for the relevant objective.

Share of operating expenses (OpEx) arising from products or services associated with economic activities aligned with the taxonomy – Disclosure for the year 2024

FY 2024	2024			Criteria for substantial contribution						DNSH (“do no significant harm”) criteria						
Economic activities	Code (a)	OpEx	Share of OpEx, year 2024	Clim ate chan ge mitig	Adap tatio n to clim ate	Wate	Pollu tion	Circ ular Econ omy	Biodi versi ty	Clim ate chan	Ad apt ati on to cli ma te ch	Wate r	Pollu tion	Circ ular Econ omy	Bio div ersi ty	Mini mu
		EUR/000	%	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes; No; N/AM (b)	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																
A.1 Environmentally sustainable activities (aligned with taxonomy)																
Power generation by solar photovoltaic technology	4.1 (CCM)	0	0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	N
Preparation for reuse of end-of-life products and components	5.3 (CE)	0	0%	N/AM	N/AM	N/AM	N/AM	No	N/AM	No	No	No	No	No	No	N
Data processing, hosting and related activities	8.1 (CCM)	0	0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	N
Programming and broadcasting activities	8.3 (CCA)	0	0%	N/AM	No	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	N
OpEx of environmentally sustainable activities (aligned with taxonomy) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**N**
Of which enabling		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**N**
Of which transitional		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**No**	**No**	**No**	**No**	**No**	**No**	**N**
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																
				AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)	AM; N/AM (c)							
Power generation by solar photovoltaic technology	4.1 (CCM)	74,5	2,21%	AM	N/AM	N/AM	N/AM	N/AM	N/AM							
Preparation for reuse of end-of-life products and components	5.3 (CE)	0	0%	N/AM	N/AM	N/AM	N/AM	AM	N/AM							
Data processing, hosting and related activities	8.1 (CCM)	14.0	0,42%	AM	N/AM	N/AM	N/AM	N/AM	N/AM							
Programming and broadcasting activities	8.3 (CCA)	406.9	12,08%	N/AM	AM	N/AM	N/AM	N/AM	N/AM							
OpEx of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		495.4	**14.71%**	18%	82%	-	-	0%	-							
A. A. OpEx of taxonomy-eligible activities (A.1+A.2)		495.4	**14.71%**	18%	82%	-	-	0%	-							
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																
OpEx of activities not eligible for taxonomy		2,872.6	**85.29%**													
TOTAL		3,368.0	**100%**													

	Share of Turnover/Total Turnover	
	Aligned activities by target	**Eligible activities by target**
CCM	0%	0,42%
CCA	0%	0%
WTR	0%	0%
CE	0%	0.05%
PPC	0%	0%
BIO	0%	0%

(a) The code includes the abbreviation of the environmental objective to which the economic activity can make a substantial contribution, and the section
the objective, namely: climate change mitigation (CCM); climate change adaptation (CCA); water and marine resources (WTR); circular economy (CE); pol
and ecosystems (BIO).

(b) Yes – The activity is taxonomy-eligible and aligned with the taxonomy for the relevant environmental objective;
No – The activity is taxonomy-eligible but not aligned with the taxonomy for the relevant environmental objective;
N/AM – Not eligible; the activity is not taxonomy-eligible for the relevant objective.

(c) AM – Activity eligible under the taxonomy for the relevant objective; and
N/AM – Activity not eligible under the taxonomy for the relevant objective.

Attestation of the Sustainability Reporting pursuant to Article 81-*ter*, paragraph 1, of CONSOB Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented

We, the undersigned, , as Chief Executive Officer, and Fabio Bartoloni, as Executive Responsible for Preparing the Company's Financial Reports of Tessellis S.p.A., hereby certify, pursuant to Article 154-bis, paragraph 5-*ter*, of Legislative Decree No. 58 of 24 February 1998, that the sustainability reporting included in the Management's Report has been prepared:

a. in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and Legislative Decree No. 125 of 6 September 2024;
b. with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Cagliari, 27 May 2025

Chief Executive Officer	Executive Responsible for Preparing the Company's Financial Reports
	Fabio Bartoloni
Davide Rota	**Fabio Bartoloni**

9 Glossary

Shared access	Technical method of unbundled access to the local loop whereby the former incumbent leases part of the spectrum of the twisted pair to other operators: in this portion of the spectrum, the operator can provide broadband services, while the former incumbent continues to provide telephony services on the non-leased portion of the spectrum.
ADSL	An acronym for Asymmetric Digital Subscriber Line, an asymmetric DSL technology (available bandwidth on the receiving end is higher than available bandwidth on the transmitting end) that enables high-speed Internet access.
ADSL2+	ADSL technology that extends the capacity of basic ADSL by doubling the download bit rate. Bandwidth can be up to 24 Mbps download and 1.5 Mbps upload and depends on the distance between the DSLAM and the customer's home.
Open areas	Also called "indirect access areas," they identify geographic areas that are not directly served by the Tessellis-owned network (see also Bitstream and Wholesale).
ARPU	Average revenue from fixed and mobile telephony services per user, calculated over a given period based on the average number of customers of the Tessellis Group or active customers (for other operators) during the same period.
Bitstream	Bitstream service (or digital stream service): a service consisting in the provision by the fixed public telephone network access operator of the transmission capacity between an end user’s location and the point of presence of an operator or ISP wishing to offer broadband service to the end user.
Broadband	Data transmission system in which multiple data streams are sent simultaneously to increase the actual transmission speed, with a data flow equal to or greater than 1.5 Mbps.
Broadcast	Simultaneous transmission of information to all nodes in a network.
Unique browsers	Number of different browsers making one or more visits to a site in a given time frame.
Access Fee	It is the amount charged by national operators for each minute their network is used by operators of other networks. It is also called 'interconnection fee'.

Capex	Acronym for Capital Expenditure. Identifies cash outflows generated by investments in the operating structure.
Carrier	Company that makes the telecommunications network physically available.
Co-location	Dedicated spaces in the incumbent operator's exchanges for Tiscali to install its own network equipment.
CPS	Acronym for Carrier Pre Selection, operator pre-selection system: allows the operator/local service provider to automatically route calls to the carrier's network of the customer's choice, who no longer has to type in special dialling codes.
CS	Acronym for Carrier Selection, operator selection system: allows a customer to select, by entering a special code, a domestic or international long-distance operator other than the one with which he or she has signed a contract to access the network.
Business clients	SoHo, small, medium and large businesses.
Consumer clients	Customers who subscribe to the offer intended for families.
Dial Up	Narrowband Internet connection via a regular telephone call, normally subject to time-based pricing.
Digital1	It is the way of representing a physical variable with a language that uses only the digits 0 and 1. The digits are transmitted in binary form as a series of pulses. Digital networks, which are rapidly replacing older analogue networks, allow greater capacity and flexibility through the use of computer technology for call transmission and manipulation. Digital systems offer less noise interference and can include encryption as protection from external interference.
Double Play	Combined offer of Internet access and fixed-line telephony.
DSL Network	An acronym for Digital Subscriber Line Network, this is a network built from existing telephone lines with DSL technology tools that, using sophisticated modulation mechanisms, allow data to be packed onto copper cables and thus connect a telephone switching station with a home or office.
DSLAM	An acronym for Digital Subscriber Line Access Multiplexer, the multiplexing apparatus, used in DSL technologies, that provides high-capacity data transmission over the twisted pair telephone line, where multiplexing apparatus is defined as an apparatus that enables the transmission of information (voice, data, video) in streams via direct, continuous connections between two different points on a network.

Optic Fibre	Thin strands of glass, silicon or plastic that form the basis of a data transmission infrastructure. A fibre cable contains several individual fibbers, each capable of conveying signal (light pulses) at a virtually unlimited bandwidth. They are usually used for long-distance transmissions, for transferring 'heavy data' so that the signal arrives protected from disturbances it may encounter along its path. The transport capacity of fibre optic cable is considerably higher than that of traditional cables and copper pair.
GigaEthernet	A term used to describe the various technologies that implement the rated speed of an Ethernet network (the standard card and cable protocol for fast connections between computers on a local area network) up to 1 gigabit per second.
Home Network	Local network consisting of different types of terminals, equipment, systems and user networks, with related applications and services, including all equipment installed at the user's premises.
Hosting	Service of allocating the pages of a Web site to a Web server, thus making it accessible from the Internet.
Incumbent	Former monopoly operator active in the telecommunications sector.
IP	An acronym for Internet Protocol, an Inter-Networking Protocol that was created to interconnect networks heterogeneous in technology, performance, and management.
IPTV	Acronym for Internet Protocol Television, a technology suitable for using IP transport infrastructure to convey television content in digital format, using the Internet connection.
IRU	An acronym for Indefeasible Right of Use, long-term agreements that grant the grantee the ability to use the grantor's fibre optic network for a long period of time.
ISDN	Acronym for Integrated Service Digital Network, Narrowband telecommunication protocol capable of transporting different types of information (voice, data, text, images), encoded in digital form, on the same transmission line in an integrated manner.
Internet Service Provider or ISP	Company that provides Internet access to individual users or organizations.
Leased lines	Transmission capacity lines made available through transmission capacity leases.

LTE-TDD	Long Term Evolution Time Division Duplex is a mobile data transmission technology that follows international LTE standards and developed for 4G networks. It is a network technology that uses a single frequency to transmit, and does so in time division, that is, alternating between uploading and downloading data with a dynamic adaptation ratio based on the amount of data exchanged.
MAN	Acronym for Metropolitan Area Network, the fibre optic network that extends within metropolitan areas and connects the Core Network with the Access Network.
Mbps	Acronym for megabits per second, a unit of measurement that indicates the capacity (thus the speed) of data transmission over a computer network.
Modem	Modulator/demodulator. It is a device that modulates digital data to enable their transmission over analogue channels, usually consisting of telephone lines.
MNO	Acronym for Mobile Network Operator, the telecommunications operator that owns the mobile network and offers its wholesale services to the Mobile Virtual Network Operator (MVNO).
MPF	Acronym for Metallic Path Facility, the pair of copper cables (unshielded helical pair) that starts from the permutator (MDF -Main Distribution Frame) in the operator's telephone exchange and arrives at the user's premises (private or business). Connections can be of the Full or Shared type. A "Full" type connection enables both the use of data (broadband) and voice services. A "Shared" type connection enables only the fruition of data service (broadband). In "shared access" service, the LLU operator (in unbundled access) provides ADSL service to the end user, while the incumbent operator provides analogue telephone service by exploiting the same access line.
MSAN	Acronym for Multi-Service Access Node, a platform capable of carrying a combination of the traditional services over an IP network and supporting a variety of access technologies such as, for example, traditional telephone line (POTS), ADSL2+ line, symmetric SHDSL, VDSL, and VDSL2, over both copper and fibre networks.

MVNO	Acronym for Mobile Virtual Network Operators: an entity that offers mobile telecommunications services to the public, using its own mobile network switching facilities, its own HLR, its own Mobile Network Code (MNC), its own customer management business (marketing, billing, service), and issuing its own SIM cards, but which does not have allocated frequency resources and relies on agreements on a negotiated or regulatory basis with one or more licensed mobile network operators for access.
Narrowband	Mode of connection to data networks, such as the Internet, established through a telephone call. In this type of connection all the bandwidth of the transmission medium is used as a single channel: a single signal occupies all the available bandwidth. The bandwidth of a communication channel identifies the maximum amount of data that can be carried by the transmission medium in the unit of time. The capacity of a communication channel is limited by both the range of frequencies the medium can support and the distance to be covered. An example of a Narrowband connection is the common 56 Kbps modem Narrowband connection.
OLO	Acronym for Other Licensed Operators, operators other than the dominant operator operating in the national telecommunications services market.
Opex	An acronym for Operating Expenses, these are direct and indirect costs that are recorded within the income statement.
Pay-Per-View	A system whereby the viewer pays to watch a single program (such as a sporting event, movie, or concert) at the time it is broadcast or transmitted.
Pay TV	Pay TV channels. To receive Pay TV or Pay-Per-View programs, one must connect a decoder to the TV set and have a conditional access system.
Platform	It is the totality of inputs, including hardware, software, operating equipment, and procedures, to produce (production platform) or manage (management platform) a particular service (service platform).
PoP	Acronym for Point of Presence, a site where telecommunications equipment is installed and is a node in the network.
Portal	Web site that constitutes a starting point i.e., a gateway to a substantial group of Internet or Intranet resources.

Router	Hardware instrument, or in some cases software, that locates the next point on the network to which to forward the received data packet, routing that data packet to its final destination.
Service Provider	Entity that provides end users and content providers with a range of services, including a proprietary, exclusive, or third-party service centre.
Server	A computer component that provides services to other components (typically called clients) over a network.
Set-top-box or STB	Appliance capable of managing and conveying data, voice and TV connection installed at the end customer.
Syndication	The resale of radio and TV broadcasts in bulk by a media company that owns the rights and usually also the delivery platform.
SoHo	Acronym for Small office Home office, small offices, mostly professional offices or small businesses.
SHDSL	Acronym for Single-pair High-speed Digital Subscriber Line. SHDSL is a telecommunication technology in the xDSL family and is implemented via direct interconnection in ULL and allows for high-speed data link balanced in both directions (transmit and receive).
Single Play	Service including broadband data access only, not in combination with other multi-play components such as voice service and IPTV. Broadband access can be provided through LLU, Wholesale or Bitstream platforms.
Single Play voce	Includes voice service access only, not in combination with other multi-play components such as broadband access and IPTV. Voice service can be provided through VoIP and CPS modes.
SMPF	Acronym for Shared Metallic Path Facilities synonymous with Shared Access (unbundled access).
Triple Play	A combined offering of fixed and/or mobile telephone, Internet and/or TV services from a single operator.
Local loop unbundling or ULL	Unbundled access to the local loop, i.e., the ability of telephone operators, since the liberalization of the telecommunications market, to take advantage of existing physical infrastructure built by another operator, to offer customers their own services, paying a fee to the operator who actually owns the infrastructure.

VAS	An acronym for Value-Added Services, value-added services provide a greater level of functionality than the basic transmission services offered by a telecommunications network for transferring information between its terminals. They include analogue switched voice communications via cable or wireless; direct digital point-to-point "unrestricted" service at 9,600 bits/s; packet switching (virtual calling); direct analogue and broadband transmission of TV signals and additional services, such as closed user groups; call waiting; collect calls; call forwarding and called number identification. Value-added services provided by the network, terminals or specialized centres include message sorting services (MHS) (which can be used, among other things, for business documents according to a predetermined form); electronic directories of users, network addresses and terminals; e-mail; fax; teletex; videotex and videophone. Value-added services could also include value-added voice telephony services such as toll-free numbers or toll telephone services.
VISP	Acronym for Virtual Internet Service provision (sometimes also called Wholesale ISP). It is the resale of Internet services purchased in bulk from an Internet Service Provider (ISP) that owns the network infrastructure.
VoIP	Acronym for Voice over internet Protocol, a digital technology that enables the transmission of voice packets over Internet, Intranet, Extranet and VPN networks. Packets are carried according to the H.323 specification, which is the ITU (International Telecommunications Union) standard that forms the basis for data, audio, video and communications services over IP-type networks.
VPN	Acronym for Virtual Private Network virtual private network built on the Internet or Intranet. Data between workstations and servers in the private network are forwarded over common public Internet networks, but using technologies to protect against eavesdropping by unauthorized persons.
Local Loop Virtual Unbundling or VULL	Similar local area network access mode whereby, although the physical infrastructure is lacking, the conditions and terms of ULL mode access are replicated. This is a temporary access mode that is generally replaced by ULL mode.

xDSL	Acronym for Digital Subscribers Lines, a technology that, through a modem, uses the normal telephone pair and transforms the traditional telephone line into a high-speed digital data transfer connection line. To this family of technologies belong the various ADSL, ADSL 2, SHDSL etc.
WI-FI	Service for high-speed wireless Internet connection.
Wi-Max	An acronym for Worldwide Interoperability for Microwave Access is a technology that enables wireless access to broadband telecommunications networks. It was defined by the WiMAX Forum, a worldwide consortium of major companies in the field of fixed and mobile telecommunications that aims to develop, promote and test interoperability of systems based on the IEEE 802.16-2004 standards for fixed access and IEEE.802.16e-2005 standards for mobile and fixed access.
Wholesale	Services consisting of the resale of access services to third parties.
WLR	Acronym for Wholesale Line Rental, the resale by a telecommunications operator of line service leased from the Incumbent.

10 Reports