

PRESS RELEASE

Tessellis S.p.A.: The Board of Directors approves the annual financial report for the year ending December 31st, 2022

Consolidated results for the fiscal year 2022

- **Pro-forma adj revenues of approximately 261 mm Euro (approx. 100 mm Euro accounting);**
- **Pro-forma adj EBITDA of approximately 50 mm Euro (approx. 11 mm Euro accounting);**
- **Pro-forma adj negative net income of approximately 63 mm Euro (approx. 35 mm Euro accounting);**
- **Net financial debt of €97.7 mm;**
- **Active customer base 1,105 thousand;**
- **2 acquisitions and new business agreements;**
- **Partial execution by the Board of Directors of the proxy to increase capital.**

Cagliari, May 11, 2023

The Board of Directors of Tessellis S.p.A. ("Tessllis" or the "Company") held today has approved the Consolidated Financial Statements, the draft of the Financial Statements of Tessellis S.p.A. and the Sustainability Report as of December 31, 2022.

"2022 was a particularly significant year for us following the merger of Linkem Retail S.r.l., the commercial arm of the Linkem Group (now OpNet), into Tiscali S.p.A., which was finalized on August 1, 2022. The purpose of the merger was to integrate the two companies into a single corporate and commercial entity in order to create synergies, consolidate and strengthen the market position. We have an ambitious plan and are working to put all the pieces together to create a strong company. The data are encouraging in terms of value creation and decreased financial debt since the effective date of the merger. An important part of the merger is people and building a new corporate culture that gives each resource the opportunity to develop their skills, consistent with the needs of the business, including to better serve our customers. The new name we have given to the merged Group, Tessellis, which means mosaic in Latin, represents well our values of inclusion and enhancement of diversity and our desire to harmoniously unite the pieces of the Group's various souls. We are proud to present to you the first results of this new Group" said Davide Rota, CEO of Tessellis S.p.A.

TESSELLIS

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Share Capital 187,513,965.37 i.v. | VA 02375280928 | R.E.A. 191784 | C.C.I.A. Cagliari | tessellis.it

Tessellis is the new industrial Group born in August 2022 from the merger of Linkem Retail and Tiscali S.p.A. The Tessellis Group is a Digital Company with one of the widest Fiber coverage available in Italy. The Group's largest operating company is Tiscali Italia, a national operator among the first in the ultrabroadband segment in the most innovative and promising technologies: FWA 5G (Fixed Wireless Access) and FTTH (Fiber To The Home).

The Group's three main areas of activity are:

- **Telco:** fixed services - in Ultrabroadband fixed and fixed wireless mode - and mobile, to residential and business customers,
- **Media&Tech:** media activities through the portal tessellis.it and sale of spaces through the concessionaire Vevisible,
- **Innovation services for B2B and Public Administration:** vertical platforms and services - smart city services for households, businesses and public administrations.

During 2022, since the completion of the merger, the Group has signed agreements with major wholesale operators, expanded its coverage in the different Ultrabroadband technologies (strengthening its positioning and offering the best connection technology available, anytime and anywhere, at an equal price for all without distinction of geographic areas).

The new Tessellis Group has begun to contribute actively to the country's democratic digitization processes through a path to accompany Italian schools toward digital transition, proposing solutions for new learning environments dedicated to primary and secondary schools. Tessellis, among other initiatives, has also initiated a series of collaborations with Italian municipalities for technology transfer in smart cities and the digital transition of local public administration.

During 2022, Tessellis focused on the development of the fiber market, whose coverage in the country is constantly expanding, and the mobile market.

Thanks to the Merger, Tessellis has expanded its coverage in the fastest growing Ultrabroadband technologies reinforcing its positioning of being able to offer everyone the best technology connection available, anytime and anywhere. Following the Merger, Tiscali's coverage is positioned as the third largest operator in the fixed market and first in the ultrabroadband access segment in FWA+FTTH technologies - the most innovative and promising - with an overall market share of 12.6% (Source: AGCOM, December 2022), strategically positioned to take full advantage of the potential of FTTH and FWA 5G technologies.

The following are the main consolidated economic and financial data for FY2022:

Summary of the Consolidated financial statements

Income statement	Tessellis Group, Accounting Data 2022*	Tessellis Group, Pro-Forma Data 2022** (not audited)	Tessellis Group, Pro-Forma Data 2022 Adjusted *** (not audited)
<i>(EUR mln)</i>			
Revenue	100,1	243,9	260,9
Other income	2,4	17,8	17,8
Adjusted Gross Operating Result (EBITDA)	10,7	32,4	49,4
Operating Result (EBIT)	(30,4)	(68,7)	(51,7)
Net Result	(34,7)	(79,8)	(62,8)

(*) The consolidated financial statements as of December 31, 2022 include the financial and economic results from the date of first consolidation, i.e. August 1, 2022.

(**) The Pro-Forma Data 2022 column includes pro-forma data ("Pro-Forma Data 2022"), starting from the data of the consolidated financial statements as of December 31, 2022, include some effects aimed at presenting the results for the year 2022 as if the merger between Linkem Retail S.r.l. and Tessellis S.p.A. (formerly Tiscali S.p.A.) had occurred, as far as the economic effects are concerned, effective as of January 1, 2022. Please refer to the sub-section "Pro-Forma Data 2022" contained in Section 4.6 "Analysis of the Group's Economic, Financial and Equity Position" for further guidance on the criteria used to form the data presented.

(***) The column Adjusted Pro-Forma Data 2022 includes the adjusted data that, starting from the Pro-Forma Data 2022, eliminates the effects on the economic results of the allocations made when allocating the price of the merger transaction between Linkem Retail S.r.l. and Tessellis S.p.A.. Please refer to the sub-section "Adjusted Pro-Forma 2022 Data" contained in Section 4.6 "Analysis of the Group's Economic, Financial and Equity Position" for further guidance on the criteria used to form the data presented

Statement of financial position	31 december 2022
<i>(EUR mln)</i>	
Total assets	344,7
Net Financial Debt	97,7
Net Financial Debt as per Consob	121,0
Shareholders' equity	68,0
Investments	23,2
Operating figures	
<i>(thousands)</i>	
Total number of Clients	1.105
Broadband Fixed	298
Broadband Wireless	521
Mobile	285

Analysis of REVENUES

In the last 5 months of 2022, the Group had revenues of 100.1 million euros, the revenues of the Group's adjusted Pro-Forma 2022 Data as of December 31, 2022 are 243.9 million euros. Considering the Adjusted Pro-Forma 2022 Data, which benefit from the sale of 300,000 IP addresses that took place in 2022 for an amount before directly attributable costs of €17 million, the total 2022 revenues would have been €260.9 million.

Profit and Loss Statement of the Group	Tessellis Group, Accounting Data 2022	Pro-Forma Data 2022	Pro-Forma Data 2022 Adjusted
<i>(EUR mln)</i>			
Revenue	100,1	243,9	260,9
Access Broadband revenues	85,2	212,1	212,1
<i>of which fixed Broadband</i>	<i>35,8</i>	<i>89,5</i>	<i>89,5</i>
<i>of which Broadband FWA</i>	<i>49,5</i>	<i>122,5</i>	<i>122,5</i>
Revenues from MVNO	7,7	17,6	17,6
Business service revenues and Wholesale	4,8	9,1	26,1
<i>of which Business service</i>	<i>4,4</i>	<i>8,5</i>	<i>8,5</i>
<i>of which Wholesale</i>	<i>0,4</i>	<i>0,6</i>	<i>0,6</i>
Media and value-added service revenues	0,6	1,4	1,4
Other revenues	1,8	3,6	3,6
Gross operating margin	34,7	80,8	97,8
Indirect operating costs	23,9	58,6	58,6
Marketing and sales	4,9	11,0	11,0
Personnel costs	14,9	35,0	35,0
Other indirect costs	4,1	12,7	12,7
Other (income) / expenses	(2,1)	(15,7)	(15,7)
Write-down of receivables	2,1	5,5	5,5
Gross Operating Result (EBITDA)	10,7	32,4	49,4
Restructuring costs and other provisions	0,1	0,6	0,6
Depreciations & amortizations	41,1	100,5	100,5
Operating result (EBIT)	(30,4)	(68,7)	(51,7)
Net Result pertaining to the Group	(34,7)	(79,8)	(62,8)

Shareholders' equity

Consolidated shareholders' equity is positive 68 million euros as of December 31, 2022, and represents 19.7% of total liabilities including shareholders' equity.

Financial situation of the Group

As of December 31, 2022, the Tessellis Group had cash and cash equivalents of 8.3 million euros, The Amending Agreements of the Senior loan, signed on July 22, 2022, defined an extension of the debt repayment schedule and a rescheduling of payments

Net Financial Position	Note	31 December 2022
<i>(EUR mln)</i>		
A. Cash and bank deposits		8,3
B. Cash equivalents		
C. Securities held for trading		
D. Cash and cash equivalents (A) + (B) + (C)		8,3
E. Current financial receivables		
F. Non-current financial receivables		0,8
G. Current bank payables		3,6
H. Current portion of bonds issued	(1)	0,0
I. Current part of long-term loans	(2)	7,6
J. Other current financial payables	(3)	8,4
K. Current financial indebtedness (G) + (H) + (I) + (J)		19,7
L. Net current financial indebtedness (K)-(D)-(E)-(F)		10,6
M. Non-current bank loans	(4)	64,7
N. Bonds issued		
O. Other non-current financial payables	(5)	22,3
P. Non-current financial indebtedness (M)+(N)+(O)		87,0
Q. Net financial indebtedness (L)+(P)		97,7

Significant events occurring after December 31, 2022

Change of corporate name from Tiscali S.p.A. to "Tessellis S.p.A."

The Shareholders' Meeting of Tessellis S.p.A. held on January 10 approved the change of company name from Tiscali S.p.A. to "Tessellis S.p.A."

The name change resulted in the change of the share ticker to "TSL.MI" effective January 20, 2023. The Company's updated bylaws can be found at www.tessellis.it

Issuance of 40 bonds, for a cumulative amount of €4 million, of the convertible and converting bond underwritten with Nice & Green S.A. (POC 2023)

On January 26, 2023 and April 24, 2023 Tessellis applied for the subscription of 40 convertible bonds (coupons 1-20 and 21-40) in favor of Nice & Green S.A., for a total amount of Euro 4,000,000; only the first tranche was subsequently converted into ordinary shares on March 22, 2023.

Sale of a lot of 320,000 IPv4 addresses

As part of the process of enhancing the value of some assets that are not fully exploited and in execution of the Business Plan, Tiscali Italia S.p.A. concluded an agreement to sell a lot of 320 thousand IPv4 addresses to one of the main international operator of web platforms services. This sale generated proceeds of approximately 16 million euros, collected between April and May 2023. IPv4 addresses form the foundation on which the Internet infrastructure rests and allow objects such as computers, servers, websites to be connected to the network and uniquely identified from outside. Following the disposal of the above-mentioned lot, the Group still holds about 1 million IPv4 addresses in its portfolio.

Co-option of New Directors

Following the resignation of directors Cristiana Procopio and Alberto Trondoli on February 1, 2023, the Board of Directors held on April 26, 2023, co-opted Andrew Holt and Jeffrey Libshutz as non-executive directors who will hold office until the next shareholders' meeting. It should be noted that, to the best of the Company's knowledge, as of today, Mr. Libshutz and Mr. Holt do not hold shares in the Company.

Foreseeable development of operations

The Board of Directors today approved the 2023-2026 Business Plan, which is in line with the previous plan of July 2022, updated based on actual and budget data. The Group, in execution of the 2023-2026 Business Plan, has an ambitious transformation process underway to become a digital enabler for businesses and government. In the meantime, the Group continues to work on improving the marginality of core services (ultrabroadband internet connections and mobile phone services), as well as on the relaunch of the Tiscali Brand in the market.

Sustainability Report

At today's meeting, the Board of Directors of Tessellis also approved the Sustainability Report (so-called Non-Financial Statement) containing non-financial information. This Statement for the year 2022 will be made available on the Company's website tessellis.it within the legal deadlines.

Other Resolutions of the Board of Directors

On May 11, 2023, the Board of Directors, in partial execution of the Delegation of Authority granted to it pursuant to Article 2443 of the Civil Code by the Extraordinary Shareholders' Meeting held on January 10, 2023, resolved to increase the Issuer's share capital, to be offered as an option to

Shareholders pursuant to Article 2441, paragraph 1, of the Civil Code, in one or more installments, for a maximum amount of Euro 25,116,540.00, by issuing up to 50,233,080 shares at a price of Euro 0.50 each. The issue price was determined by the Board of Directors by applying a discount on the TERP (Theoretical ex right price) of 8.32%, calculated on the average stock market price of the Tessellis share for the week preceding the date of the Board meeting. This capital increase constitutes the partial exercise of the broader proxy for a maximum of Euro 60 million granted to the Board by the Shareholders' Meeting in January 2023.

For further details, please refer to the Explanatory Report (Relazione Illustrativa), prepared pursuant to Article 72 and in accordance with Schedule No. 2 of Annex 3A of CONSOB Regulation No. 11971 of May 14, 1999, as amended and supplemented, approved by the Board of Directors today and available on the Company's website www.tessellis.it, as well as to the appropriate press release.

Also at the same meeting, the Board resolved to convene the Ordinary Shareholders' Meeting for June 12, 2023. Please refer to the call notice available on the Company's website www.tessellis.it and the storage mechanism for details.

CONFERENCE CALL

The results as of December 31, 2022 will be presented to our shareholders and the financial community during a conference call to be held on May 12, 2023 at 11:00 a.m. CET.

You can participate in the conference call by calling one of the following numbers or by connecting to the webcall whose link is provided below:

Italy	+39 02 802 09 11
UK	+44 1 212818004
France	+33 170918704
Switzerland	+41 225954728
USA (international)	+1 718 7058796
USA (local)	1 855 2656958

Link alla **Webcall**: <https://www.c-meeting.com/web3/join/M9PHZB7NXWETUE>

Before the start of the Webcall, the Company will make available the presentation on its website tessellis.it

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About Tessellis

Tessellis S.p.A. (Italian Stock Exchange. Milan: TIS) is the holding company of the Group born from the merger between Linkem Retail and Tiscali S.p.A.; it includes among its business areas that of Tiscali Italia S.p.A., national operator among the first in the ultrabroadband segment (FWA - Fixed Wireless Access and FTTH - Fiber To The Home), the portal www.tiscali.it, one of the main Italian news portals, with more than 9 million visitors per month to its credit, as well as the advertising concessionaire Vevisible s.r.l.