



# Tessellis Group Consolidated Half-Year Financial Report as of June 30, 2024

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The Board of Directors of Tessellis S.p.A. authorized the publication of this document on October 8, 2024. This document is available online at the following address: [www.tessellis.it](http://www.tessellis.it).

## **Tessellis S.p.A.**

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

Share Capital EUR 211,313,818.32

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

Company duration: expiration date December 31, 2050

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## First-Half Consolidated Financial Report as at 30 June 2024


 TESSELLIS

## 1. Highlights

	30 June 2024	31 December 2023
<i>(EUR mln)</i>		
Revenues	109.0	117.7
Other Income	1.2	1.3
Gross Operating Profit (EBITDA)	14.8	18.6
Operating Profit	(21.0)	(23.4)
Result from assets sold and/or held for sale	-	-
Net Profit	(26.1)	(26.7)



Statement of financial position	30 June 2024	31 December 2023
<i>(EUR mln)</i>		
Total assets	307.7	303.3
Net Financial Debt	84.3	85.1
Net Financial Debt as per Consob	99.1	101.4
Shareholders' equity	(0.8)	25.4
Investments	17.3	50.7

Operating figures	30 June 2024	31 December 2023
<i>(thousands)</i>		
<b>Total number of Clients</b>	<b>1,011</b>	<b>1,022</b>
Broadband Fixed	287	292.6
Broadband Wireless	375	401.1
Mobile	349	328

## 2 Alternative Performance Indicators

In this report on operations, in addition to the conventional indicators required by IFRS, an alternative performance indicator (EBITDA) is presented, which is used by Tessellis Group management to monitor and assess the Group's operating performance. This indicator should not be considered a substitute for the profitability measures required by IFRS; in particular, since the composition of EBITDA is not regulated by accounting standards, the calculation criteria applied by Tessellis Group may differ from those adopted by other entities. Therefore, this alternative performance indicator may not be comparable.

In line with CONSOB communications on the subject, the criteria used for constructing Tessellis Group's EBITDA as an alternative performance indicator are provided below.

ETBIDA CALCULATION:	1° semester 2024	1° semester 2023
<i>(EUR mln)</i>		
<b>Result before taxes</b>	<b>(26,066)</b>	<b>(26,676)</b>
+ Financial Expenses	4,610	3,257
- Financial Income	(6) 	(80)
+ Result on Investments at equity method	451	108
<b>Operating income</b>	<b>(21,011) </b>	<b>(23,391)</b>
+ Restructuring costs and other provisions	279	105
+ Depreciation and Amortization	35,491	41,907
<b>Gross Operating Result (EBITDA) (*)</b>	<b>14,759</b>	<b>18,621</b>

### 3 Directors and Statutory Auditors

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#### **Board of Directors**

The Board of Directors was appointed by the Shareholders' Meeting held on 16 May 2022, and is in office until the approval of the Financial Statements as at 31 December 2024:

**Chairman and CEO:** 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 has powers of ordinary and extraordinary administration, to be jointly or severely exercised, in compliance with the powers conferred by resolution of the Board of Directors dated 16 May 2022

(1) Control and Risks Committee

(2) Appointments and Remuneration Committee

(3) Related Party Transactions Committee

On February 21, 2024, the Chairman of the Board of Directors, Renato Soru, resigned from his position and from the board. The shareholders' meeting on June 17, 2024, appointed Nicholas Daraviras, whose term will expire together with that of the other directors.

#### **Board of Auditors**

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

**Chairman:** Riccardo Francesco Rodolfo Zingales

**Statutory Auditors:** Rita Casu  
Antonio Zecca

**Executive in charge of drafting the corporate financial documents:**

Fabio Bartoloni

The Executive in Charge of drafting the corporate financial documents was appointed by the Board of Directors on 12 September 2022.

**Auditing Company:**

Deloitte & Touche S.p.A.

The Auditing Company was appointed by the Shareholders' Meeting held on 30 May 2017, and shall remain in office for a 9-year period from FY 2017 to FY 2025.

## Interim Management Report

## 4 Management Report

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### *Introduction*

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

The Group's main areas of activity are threefold:

- **Telco:** fixed services – in Ultrabroadband fixed and fixed wireless modes – and mobile services, offered to both private and business customers.
- **Media & Tech:** media activities through the tessellis.it portal and advertising sales via the Vevisible agency.
- **Innovative Services for B2B and Public Administration:** vertical platforms and services – smart city services for families, businesses, and public administrations.

### 4.1 Tessellis Group's Market Positioning

The electronic communications sector (source: AGCOM – latest available data) experienced a slight increase of 0.8% in 2024 in terms of total resources, following a decline of 3.3% in 2023. The total value of the sector has slightly exceeded the 27 billion euros of 2023, thus halting the downward trend seen over the past five years (2019-2023). This performance is solely attributable to the growth in fixed network resources, which increased by 4.4% year-over-year in 2023 and now amount to approximately 16 billion euros. In contrast, the mobile network sector, valued at around 11 billion euros, saw a 4.1% decrease compared to 2023.

These trends are occurring in a context marked by a significant increase in consumption, particularly in data traffic, coupled with a continuous reduction in the prices of telecommunications services and devices. This price decrease contrasts with the overall trend observed in the national consumer price index for the general population.

### Fixed Broadband Market Evolution

Broadband and Ultrabroadband Fixed Network accesses, the main market for Tessellis, reached 19.12 million accesses in March 2024<sup>1</sup>, showing an annual increase of 112,000 accesses (0.6%), almost

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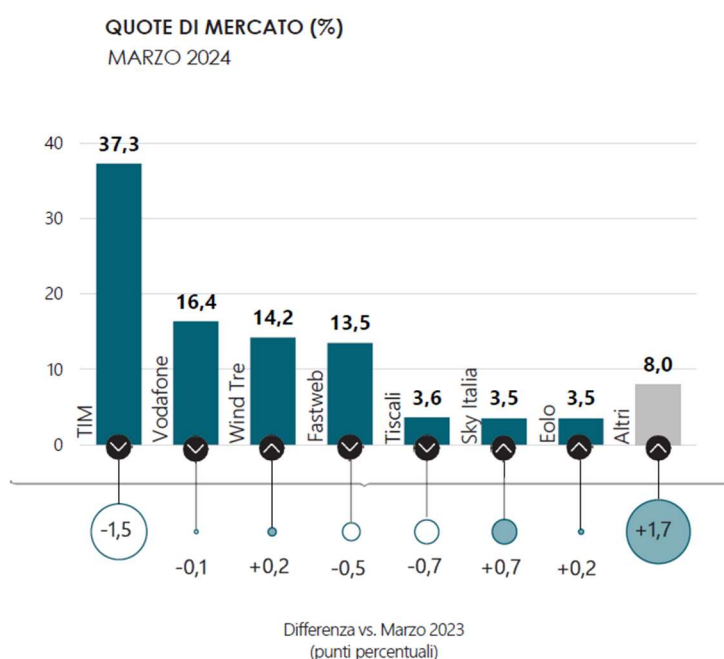
<sup>1</sup> The AGCOM Communications Observatory No. 2/2024.



entirely recorded in the last quarter.

Ultrabroadband accesses (using Fiber to the Home, Fiber to the Cabinet, and Fixed Wireless Access - FWA) grew, reaching 16.87 million in March 2024, marking a 4.5% year-over-year increase. During the same period, traditional DSL accesses significantly declined, losing 615,000 units (-21.4%), with 2.26 million remaining lines, now representing less than 12% of the market.

Tessellis, ranked as the fifth operator in this market, competes in a sector divided as shown in the following table:



In the **FTTH (Fiber to the Home)** segment, which demonstrates the highest growth rate, Tessellis' market share reached **3%** as of March 2024. In the **FWA (Fixed Wireless Access)** segment, Tessellis holds a **17.8%** market share, positioning itself as the third-largest operator in this specific segment.

### Mobile market

In March 2024<sup>2</sup>, the mobile services market recorded an increase of approximately 1.29 million lines year-over-year. Of the 108.9 million SIMs registered by March 2024, 30.5 million were M2M (Machine to Machine) SIMs, representing about 28% of the total, with a growth of around 1.24 million on an annual basis. The remaining 78.5 million were human SIMs, showing a modest growth of 58,000 units over the previous year.

<sup>2</sup> The AGCOM Communications Observatory No. 2/2024

TIM is the market leader with a 27.5% share, followed by Vodafone at 26.8%, and Wind Tre at 23.8%, while Iliad holds 10.1% of the market. Tessellis operates in the MVNO (Mobile Virtual Network Operator) market, which accounts for around 12.74 million SIMs, representing 11.7% of the total and 16.3% of the human SIM market. Poste Mobile leads the MVNO market with a 4% share of the total market and 5.4% of human SIMs.

As of June 30, 2024, Tessellis' customer base reached approximately 349,000 units. Data traffic in the market continued to grow, with an increase of 16.9% as of March 2024, though this rate has slowed compared to the previous year's growth of 24.2%. Tessellis' mobile service, powered by TIM's network, covers 7,825 municipalities in Italy and 99% of the national population. In May, Tessellis launched its 5G offering, which is now available in 4,143 municipalities.

### Online Advertising Market

The online advertising market saw an increase of **5.4%** in the first half of 2024, reaching a total value of approximately 260 million euros<sup>3</sup>.

Analyzing device-specific data, it is clear that in the first half of 2024, smartphone usage saw a 6% growth compared to the same period in 2023. Similarly, desktop, which includes tablets, also grew by 4.9%. A significant trend was observed in content consumption via apps, which surged by 16%, while browsing activity also increased by 4.4%.

Key drivers behind these trends include the rise of video formats, the development of special initiatives, and heightened activity on social media. These elements have become indispensable tools in advertisers' communication strategies<sup>4</sup>.

Compared to 2023, the average daily online audience in June 2024 grew by 3.6% to 37.5 million individuals (over 2 years old), this growth is the result of increased daily use from both PCs (+2.8%) and mobile (+4.4%). On the other hand, 35.4 million individuals (aged between 18 and 74) surf on mobile on the average day, which corresponds to 83% of the population<sup>5</sup>.

In the first half of 2024, Veesible optimised its technology infrastructure to maximise RTB (Real Time Bidding) advertising revenues and entered into agreements with leading digital advertising operators in Italy.

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<sup>3</sup> FCP-ASSOINTERNET Observatory January – June 2024.

<sup>4</sup> FCP-ASSOINTERNET Observatory January – June 2024.

<sup>5</sup> Audicom, online audience data release – August 2024.

## 4.2 Regulatory Framework

The main areas of the regulatory framework that took place in the first half of 2024 are summarised below.

Regulatory interventions at the national level followed two main guidelines: i. the definition of new ex ante rules in the markets for wholesale access services to the fixed network, with a view to adapting it to the changed competitive context and the new corporate and organisational structure adopted by TIM; ii. the continuation of activities to implement the current regulatory framework.

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

- ✓ The conclusion of the public consultation procedure concerning the new coordinated analysis of the markets for fixed network access services (Resolution No. TessellisNS published in May 2024), which resulted in important changes to the reference framework. The measure adopted covers for the first time a five-year horizon (2024-2028) in line with the objectives of regulatory stability and predictability required by European legislation and the Electronic Communications Code.

The market for wholesale central access services (bitstream services) has been found to be no longer susceptible to ex ante regulation and, consequently, TIM's existing regulation of this market will be removed. The evolution of competitive dynamics observed in the markets for wholesale local access services (ULL and VULA services) led to a different geographic dimension of the markets compared with that of previous analyses: in particular, some fully competitive geographic areas were identified (14 municipalities) in which the regulatory obligations currently held by TIM were removed, compared with areas in the Rest of Italy in which TIM's position of significant market power (together with its subsidiary FiberCop) is confirmed and, consequently, the imposition of corrective measures provided for by the Code. A set of 95 more contestable municipalities has also been identified, in which, since significant competitive pressure has been found, but not yet consolidated, only the price control obligation for VULA and dedicated capacity services is relieved.

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

- ✓ The implementation of the new electronic communications code on users' rights and the conclusion of the procedure for the adoption of the new Regulation on contracts between operators and end users, which regulates the main contractual issues of interest to users (Resolution No. 307/23/CONS).

- ✓ Following up on Law No. 93 of 14 July 2023 (the so-called anti-piracy law), containing provisions for the prevention and repression of the unlawful dissemination of copyright-protected content through electronic communication networks, AGCOM introduced – with the active cooperation of all operators in the sector – the platform known as Piracy Shield. This platform, which has been active since 1 February 2024, allows for an automated management of notifications following the precautionary order issued by the Authority.

Tessellis put in place all the necessary activities to ensure the full operation of the platform within the deadline.

#### 4.3 Tessellis's Shares

Share Capital	EUR 205,013.818 thousands
Number of Ordinary Shares (no par value)	234,067,207
Average market capitalisation first half year 2024	EUR 151,207.415 thousand

Tessellis shares have been listed on the Borsa Italiana (Milan: TSL) since October 1999. During the first half of 2024, there were no capital increases.

On June 17, 2024, Tessellis' ordinary and extraordinary shareholders' meeting approved the coverage of the current year's and past years' cumulative losses totaling 4 million euros by reducing the company's share capital by the same amount. This capital reduction was carried out without the cancellation of shares, as the shares do not have a nominal value.

Following the capital reduction of EUR 3,978,911.85, the company's share capital decreased from EUR 208,992,730.17 to EUR 205,013,818.32 (fully subscribed and paid-up) as of June 30, 2024, and is divided into 234,067,207 ordinary shares without indication of nominal value.

As of June 30, 2024, the market capitalization was EUR 151.2 million, compared to a consolidated equity deficit of EUR 0.8 million. As of the approval date of this financial report, the market capitalization stood at EUR 87.1 million. The difference between the market capitalization and the consolidated equity value of 152 million euros as of June 30, 2024, reflects the Group's future profitability prospects, embedded in the cash flows from the updated 2024-2027 business plan, approved by the Board of Directors on May 7, 2024 (the "Updated 2024-2027 Business Plan").

It is specified that **Opnet S.p.A.**, which held 59.26% of Tessellis shares as of June 30, 2024, changed its corporate name to **Shellnet S.p.A.** effective August 1, 2024. In the remainder of this report, the name "Shellnet" replaces the previous name "Opnet."

Based on the records from the Shareholder Register, supplemented by additional communications received and information available to Tessellis, as of June 30, 2024, there are no other shareholders, apart from Shellnet S.p.A., holding significant qualifying percentages.

#### 4.4 Main activities and results achieved during the first half of 2024

The following represents further activities carried out and results achieved in the first half of 2024 by the Tessellis Group.

##### Network coverage and marketing and communication activities

At the end of June 2024, the Telecommunications service is offered by the Group through different fixed network technologies, designed to provide the service best suited to the needs of both consumer and business customers, namely:

- FTTH optical fibre, reaching around 13 million households and local businesses, with speeds of up to 2.5 Gbps in the A&B and C&D (for companies) areas via the Open Fiber network, and on the TIM network (with the switch to 2.5 Gbps from November).
- FTTC connections, covering around 28 million households and local businesses, offering speeds of up to 200 Mbps.
- FWA (Fixed Wireless Access) with connection via the Shellnet network, reaching around 24 million households and local businesses. This access is possible thanks to more than 3,300 radio base stations (BTS), serving more than 3,700 municipalities. By the end of June 2024, 5G BTS at 300 Mbps will serve more than 2,500 municipalities, with a total of about 6.5 million households covered.

In the residential market for fixed network services, thanks to an agreement signed with Axa, a leader in its field, Tiscali was able to offer the insurance product bundled with connectivity services.

In January 2024, the Linkem Protezione Casa bundle was launched, which combines connectivity with calls included with a home insurance package and device support. The bundle, initially launched on FWA connectivity, was later extended to include fibre connectivity. The customer thus has a richer offer at his disposal, which, in addition to unlimited calls, includes an insurance solution for his home.

The connectivity offer aimed at the business market has been enhanced with a further solution that flanks the connectivity service with a backup service on the mobile network in LTE technology to guarantee continuity of service at all times.

Mobile network services saw an important innovation in the first half of the year with the launch of the 5G technology offering in May 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, present in 4,143 municipalities, 4G+ coverage with performance up to 700 Mbps was also introduced in 6,174 municipalities.

The flagship offer in 5G technology, aimed at the residential market, responds to the needs of a market that demands ever greater performance and data traffic content with a proposal of 200 GB at less than

10 euros per month. All this with no constraints or hidden costs, in line with the transparency positioning that has always distinguished the services offered by the Tessellis Group.

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

The promotional campaigns, aimed at increasing brand awareness and traffic on the company's properties, were spread purely on digital channels, through traditional formats and video content on the main social media, such as Meta and TikTok, as well as campaigns on the Google circuit.

The main focus of the campaigns was to promote both the mobile service, with national coverage and a specific focus on the launch of services in 5G technology, and services aimed at the B2B segment, with particular attention to the microbusiness world.

Tiscali, which has always been close to the values of sport, continued its sponsorships in the world of basketball for the 2023/2024 season, with partnership agreements with Serie A teams *Olimpia Milano* and *Dinamo Sassari*. The sponsorships included a portfolio of assets enhanced for commercial purposes and to increase brand awareness, as well as technical supply agreements for the provision of connectivity services.

### **Laboratori Rework Laboratories Project**

In the first half of 2024, activities continued on the Rework Laboratories Project, launched in June 2022, within the framework of a memorandum of understanding of the “Prison Work” Programme created following the collaboration between the Ministry of Justice and the Department for Digital Transformation, together with the contribution of other telephony and digital realities, with the establishment of a laboratory at the Uta Prison (located in Cagliari) aimed at the regeneration of network terminal equipment with the intention of enhancing prison labour in the telecommunications and ICT sector. The initiative envisages the involvement of 8 inmates.

In the Rebibbia laboratory, equipment is regenerated on behalf of a telecommunications provider, generating revenue. As at 30 June 2024, the revenue from the sale of this equipment amounted to about EUR 39,000. Also during the first half of the year, 8,057 modems were remanufactured at the Rework Laboratory in Lecce, 11,913 at the Rebibbia Laboratory, and 5,310 at the Uta Laboratory.

### **Network rationalisation project – Tim agreement**

Starting in 2021, a project to rationalise the Tessellis network has been initiated, based on the commercial agreements signed with Tim, signed in November 2020 and revised in 2023. The rationalisation of the network, in addition to allowing for a reduction in infrastructure investments, will

make it possible to reduce, when fully operational, connection costs by means of traffic management concentrated on a lower number of interconnection points, and therefore through the creation of a network model with greater adaptability to the needs of technological adaptation of services towards the end customer, which will be realised, to a large extent, through technological migrations of the pre-existing BB services towards UBB services, with a consequent improvement in the quality of the customer perception and reduction of the churn rate.

In the first half of 2024, as provided for in the contract renegotiated in 2022, the plan to decommission the ULL exchanges continued, resulting in a further rationalisation of the network infrastructures necessary to guarantee the technological adaptations of the services aimed at end customers.

### Media Sector Activities

In the first half of 2024, the Media Division of the Tessellis Group, which generated revenues of approximately EUR 1.1 million, further consolidated the open, multimedia and multi-access Ecosystem model, aimed at multiplying and qualifying the portfolio of contacts, interactions and multi-channel engagement and thus increasing advertising revenues and value generation.

As part of the diversification and qualification of the editorial offer, there has been a focus on several projects:

- a) a) The new vertical **TCF** was launched , **Tutto Calcio femminile**, a digital property acquired in 2023, a vertical web and social title, a point of reference in the sector. It aspires to become a unicum in the category and, after the acquisition of Bike and in addition to the 'Tiscali Sport' channel, consolidates the presence of Tiscali.it in the world of sport and further enriches its vocation for in-depth coverage of the Women's Universe.
- b) Development activities continued on the **Milleunadonna** and **Gamesurf** verticals launched in 2023. Specifically, Milleunadonna climbed positions in terms of access and use, rising from 14th to 11th place in terms of unique users in the Audiweb ranking of the Family & Lifestyle category, overtaking Marie Claire and approaching Grazia.it. Gamesurf is now a benchmark in the Gaming & Entertainment sector with around 500,000 unique users per month (vs. 300,000 unique users, monthly average in 2023). Gamesurf is also often cited as an international benchmark in the evaluation of new games or films being released.
- c) The ecosystem has consolidated its vocation as a multimedia offer, integrating the presentation of **Specials** (including the *Sanremo Special*, which has enabled the presence of Tiscali.it and its correspondents in various TV broadcasts, the *Cannes Special*, the *Olympics Special*), increasing **video production** both web and social and enhancing the investment of the TV Studio set up at the Cagliari headquarters, consolidating and ensuring continuity in the production and presentation of **Audio Podcasts**, ensuring their dissemination through a dedicated platform that also allows their exploitation.

- d) **Syndication** was consolidated, understood as the integration within the Tiscali Ecosystem of publishing properties, including external ones, in order to increase contacts and enhance value. The latest collaboration acquired was with **Chronist**, a digital web and social property.
- e) An experimental path was activated to equip the editorial staff with Generative Artificial Intelligence tools in the creation of news content. With regard to the vertical **Bike**, the European Multimedia Unicum in the world of Biking, which explores its three “souls” (Sport, Cycling Tourism and Green Mobility), *the TV editorial offer* has been entirely relaunched (with a renewed schedule, new productions, new content, new collaborations), the *printed Magazine* has benefited from a ‘radical’ restyling in graphics and content, renewing the distribution agreement in “bundle” with Forbes Italia; the new site will soon be launched, which aims to become the digital ‘touchpoint’ for all fans of the sector and a fundamental ‘showcase’ for companies and local authorities that insist on the category.

Overall, the Tiscali Network, across all its components, reached more than 42 million Unique Browsers in H1 2024, an increase of 3.5% compared to H1 2023. These users “viewed” over 1,250 billion pages.

The path, already embarked upon in 2023, of diversifying Revenue Streams, in addition to the “organic” collection of value from advertising hosted on the Ecosystem, also continued. As part of this path:

- a) Collaboration with the Catch-up platform has been started, for the valorisation of Mail free by sending Dem to users who have given consent.
- b) Mail, in general, is the fundamental booster in the generation of value. It generates about 80% of collection revenue. The number of active Users has reached about 2,000,000 boxes. In the first half of 2024, a major investment was made to separate the mail management systems and make them independent. This is a prerequisite for further future development and diversification of the Revenues Streams.
- c) The aforementioned Podcast enhancement platform was activated.
- d) The Commercial function of Vevisible was strengthened, in particular, to re-enter the circuit of Italian Media Centres and stimulate Special Initiatives (i.e., targeted investments integrated with the Editorial offer) and Content Marketing.

In the coming months, the Division’s activities will pursue the following priorities:

- Further diversification and enrichment of the editorial offer and content and the presidium of specified user targets, both with new Editorial Properties and through collaborations with external Partners;
- Expansion of activities aimed at collecting ‘first-party’ contacts;
- Re-launch of Mail to incorporate Premium functions and diversification of the Service;



- Evolution of Business models: products and services will be created to be offered to CB and Vertical Communities.

### **Business Services to Public Administration sector activities**

#### Piano Scuola 4.0

During the first half of 2024, the Tessellis Group continued to implement the Plan “Scuola 4.0”, in order to support Italian schools with solutions for new learning environments and accelerate digital transformation. The project will be completed by October 2024, with a total turnover for the financial year 2024 of EUR 2.1 million.

#### Innovation

As part of Tessellis’ innovation programme, Future Communities, dedicated to the development of new business models to promote the digital growth of companies and territories, initiatives based on an Open Innovation model, integrating ideas from inside and outside the company, have been implemented. This approach has created a collaborative and inclusive system with start-ups, research centres and industrial partners, with the aim of developing solutions capable of responding to current needs and anticipating future ones.

Tessellis, with Tiscali’s participation in startup pre-acceleration programmes such as Boost Your Ideas, promoted by Lazio Innova, and Co-Innovation programmes such as Open Italy, with Elis Innovation Hub, positions itself on the main innovation tables in the country and feeds the ecosystem of external partners, encouraging the identification of the most promising solutions, in line with the main market trends.

In addition, a structured process of scouting for innovative solutions has been introduced, based on the identification of internal needs, the periodic involvement of the heads of Tiscali’s main departments and the presentation of selected start-ups, in order to promote a path of collaboration with a view to Open Innovation, supporting prototyping, testing and industrialisation of the service.

Among the initiatives to promote and disseminate tools and skills related to innovation, the first edition of the “Tiscali Idea Generation Lab”, an internal entrepreneurship initiative designed with the People Value department to promote the generation of innovative business ideas for B2B and B2G markets, and the provision of a training course, as a partner of the “Path of Excellence” of the Course in Management Engineering at the University of Calabria, creating a corporate roleplay, the “Tiscali Corporate Innovation Challenge”.

Participation in innovative technology initiatives such as the “Case delle Tecnologie Emergenti” (CTE) and “Ville Venete Virtual Reality Boat” as a partner of the municipalities of Pesaro and Campobasso

and the Iuav University of Venice, has allowed the start-up of experimental developments of innovative services in the Smart City field, exploiting Tiscali technological assets and the Innovation LAB ecosystem.

In particular, the CTEs of Campobasso and Pesaro, initiatives financed towards municipalities by the Ministry (MIMIT) within the “5G Technology Support Programme”, have the objective of creating a research and experimentation centre in the financed municipalities, which supports the creation of start-ups and technology transfer towards small and medium-sized enterprises, in relation to the use of specific Emerging Technologies such as 5G, CLOUD, AI, Blockchain, Internet of Things (IoT). In addition to the direct supply of technology assets and vertical services at the initial commercialisation stage (5G NPN, Cloud Services, Highview), the developments initiated with the support of partners and companies of the Tessellis Group, and of the Universities involved together with the financed Municipalities, include solutions integrating new technologies such as AI Gen for the enhancement of cultural heritage and the creation of a customised and immersive tourist experience, also by promoting the active participation of citizens, and solutions supporting administrations in the real-time monitoring of urban green areas, the status of road signs and parking occupancy and payment, and potential sanctioning of infringements.

The first results were presented at the events organised by MIMIT's “Roadshow” in Campobasso and Pesaro, with the aim of promoting the experiments during the second half of the year and encouraging the transition from the prototyping to the pre-industrialisation phase.

Also in the area of services for Smart Cities, the Tessellis Group continues its collaboration with various partners who are suppliers of intelligent video surveillance and video analytics. Public Administration and Companies represent the target of these solutions. In addition to video-analysis and IoT sensor services aimed at monitoring critical infrastructures such as bridges and viaducts, Tiscali is working on the creation and development of smart parking, smart mobility, public green, smart tourism and urban decorum services, combining technological innovation and artificial intelligence with the use of advanced FWA and FTTH ultra-broadband connectivity services.

Total revenues of the “Innovation” segment amounted to EUR 2.4 million as of 30 June 2024, a significant increase compared to the amount of EUR 0.3 million as of 30 June 2023.

### **IPCEI-CIS European Project**

In December 2023, Tiscali officially launched the Villanova Project within the framework of the IPCEI-CIS (Major Projects of Common European Interest), a strategic and transnational collaboration promoted by the European Union. The Villanova Project aims at the development of advanced Multimodal Generative Artificial Intelligence (GenAI) solutions, contributing decisively to the construction of a European ecosystem of interoperable data processing, which synergistically integrates cloud and

edge technologies.

The project evolved significantly during the first half of 2024. Tiscali had officially notified MIMIT of the Project's start date, set for December 11, 2023. At the same time, working meetings were started with the other European participants in the IPCEI-CIS initiative, with the aim of ensuring interoperability between the technological solutions presented by the 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. In the first half of 2024, the technical activities for the creation of the Villanova laboratory, which will serve as a central platform for the Research and Development (RDI) and Experimentation (FDI) phases of technological solutions, were initiated. In parallel, the technical architecture required for crawling activities was designed, with the aim of feeding the data lake. The latter will constitute a scalable and versatile infrastructure, capable of storing and managing large volumes of heterogeneous data, preserving their integrity and ensuring their flexibility. This data will be crucial for feeding the analysis processes and Artificial Intelligence applications, which will underpin the project.

At the same time, the definition of the architectural components that will be released in open source is being studied, 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 crucial for the creation and implementation of the proposed GenAI platforms, which will make it possible to overcome the current technological and linguistic barriers related to the use of generative artificial intelligence in Europe.

In parallel, discussions are underway with partners to deepen the areas of technical collaboration and specialisation, ensuring a synergy between the skills of the companies involved in the project. Tiscali is also pursuing initiatives to identify further collaborations aimed at enhancing the data sources needed to feed the artificial intelligence models under development. Activities are continuing in line with project developments at European level.

In particular, Tiscali participated in the NexusForum2024 Summit, held on 19 and 20 September, with over 200 registered experts in the field of cloud, edge and digital sovereignty. During the event, Tiscali participated in several technical working tables, where it shared project progress and dialogued with other European companies to explore new opportunities for high-impact technology collaboration. In line with the Updated Business Plan 2024-2027, Tiscali continues to promote the development of innovative technologies, with a focus on Multimodal Artificial Generative Intelligence and digital transition, thus creating new opportunities for sustainable growth and competitiveness at national and European level.

From the point of view of the formal steps related to the Project, Tiscali Italia, on 9 May 2024, as prescribed by the *Directorial Decree of 23.02.2024 – IPCEI Infrastructures and Cloud Services (CIS)*, forwarded through the platform made available by MIMIT the “Application for Financial

Facilitation” related to the Villanova IPCEI CIS Project.

On September 30, 2024, Tiscali Italia S.p.A. formally received from MIMIT the *Decree granting* the requested financial facilitation with respect to the Villanova IPCEI CIS Project. The Decree certifies the overall subsidisable amount of the Project and the duration. The Decree, countersigned by the Company, will be returned within 10 days of receipt, and will allow the formal start of the project activities.

## Corporate transactions carried out in 2024

### Tessellis S.p.A. – Istella S.p.A. Investment Agreement

On February 21, 2024, Tessellis S.p.A. and Istella S.p.A. signed a binding letter of intent for an overall investment transaction by Tessellis, or another company in the same Group, in Istella (hereinafter also referred to as the “Transaction”). The Transaction, subject to the fulfillment of certain conditions precedent, was completed in September 2024. This resulted in Tiscali Italia S.p.A. subscribing to a capital increase in Istella for a total value (including premium) of EUR 400,000, with the exclusion of pre-emptive rights in accordance with Article No. 2441, paragraph 5, of the Italian Civil Code (the “Reserved Capital Increase”). This investment equated to a 3.51% stake in Istella’s share capital.

Given that Renato Soru, who served as Chairman of the Board of Directors of Tessellis until February 21, 2024, is also the main shareholder of Istella, the Transaction constituted a related-party transaction with respect to the subscription to the Reserved Capital Increase. The Transaction, classified as of Minor Importance, received a favorable opinion from the Tessellis Related Party Transactions Committee in compliance with applicable regulations.

As of the date of this report, Dr. Soru is not a member of any Board committee and holds a 1.35% stake in Tessellis.

### Acquisition by Jefferies Financial Group Inc. of indirect control of Tessellis S.p.A.

On April 19, 2024, Tessellis S.p.A. received a notice pursuant to Article No. 117 of Consob Regulation No. 11971/99 (the “Issuers’ Regulation”) from Jefferies Financial Group Inc. in relation to the acquisition of the indirect controlling interest. In particular, 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 to date holds 56.54% of the Company’s share capital – through its subsidiary BEI Italia Wireless, LLC, following the conversion of preference shares convertible into ordinary shares, held by BEI Italia Wireless, LLC in Shellnet (hereinafter also referred to as the “Conversion”).

### Tessellis S.p.A's Share Capital Reduction

On June 17, 2024, the Ordinary and Extraordinary Shareholders' Meeting of Tessellis approved the coverage of the loss for the year and losses referring to previous years by reducing the share capital by a corresponding amount. The share capital reduction was carried out without cancellation of shares, as they had no express par value.

As a result of the reduction, amounting to EUR 3,978,911.85, the company's share capital increased from EUR 208,992,730.17 to EUR 205,013,818.32 (fully subscribed and paid up) at 30 June 2024, and is divided into 234,067,207 ordinary shares with no indication of par value (ref. section "3.3 - Tessellis Shares").

### Amendment to the POC 2023 Bond Regulations

The Ordinary and Extraordinary Shareholders' Meeting of Tessellis, which met on June 17, 2024, amending the resolution passed by the Shareholders' Meeting of April 16, 2022, resolved to amend the regulations of the mandatory convertible bond reserved for Nice & Green (the "POC 2023"), providing for a total amount of EUR 62 million, consisting of 31 tranches of EUR 2,000,000, through the issue of convertible bonds with a nominal amount of EUR 100,000 each. The bonds will mature on December 31, 2027 and will be irrevocably converted on the same date.

### **Takeover transaction of Go Internet**

On November 30, 2023, Tessellis S.p.A., Shellnet S.p.A. and Go Internet S.p.A. (hereinafter also referred to as "Go Internet"), a company with shares traded on Euronext Growth Milan, entered into an agreement (hereinafter also referred to as the "Investment Agreement") for the implementation of an overall investment transaction of Tessellis in Go Internet (hereinafter also referred to as the "Transaction").

The Transaction was implemented in the first half of 2024, through the following steps:

#### *1) May 27, 2024 – Fulfilment of conditions precedent*

On May 27, 2024, the residual conditions precedent provided for under the Investment Agreement entered into between Tessellis, Shellnet and Go Internet on November 30, 2023, as subsequently amended on April 30, 2024, having been satisfied, these Companies agreed to proceed with the closing of the Transaction (hereinafter referred to as the "Closing"). Tessellis has designated BID-GO S.r.l. (hereinafter referred to as 'BID-GO'), whose share capital is wholly owned by Tiscali Italia S.p.A, a

wholly-owned subsidiary of Tessellis, for the purpose of subscribing to the share capital increase resolved by the Shareholders' Meeting of Go Internet on December 22, 2023, for an amount up to a maximum of EUR 3,350,000.00 and excluding option rights pursuant to Article No. 2441, paragraph 5, of the Italian Civil Code (hereinafter referred to as the “Reserved Capital Increase”).

In consideration of the foregoing, on May 27, 2024, BID-GO subscribed to the Reserved Capital Increase, with an effective date set for May 31, 2024, by offsetting the trade receivable claimed by Shellnet from Go Internet for the provision of certain services, which it had acquired at the date of the subscription in the context of the Closing, in the amount of EUR 3,349,999.62, by issuing 4,135,802 shares in Go Internet (hereinafter referred to as the “New Shares”), representing 77.04% of Go Internet’s share capital (as increased as a result of such subscription).

### *2) 31 May 2024 - Subscription effectiveness of Go Internet’s reserved capital increase*

On 31 May 2024, the subscription by the Offeror – as the subsidiary company designated by Tessellis pursuant to the Investment Agreement – of the capital increase of Go Internet, with the exclusion of option rights pursuant to Article No. 2441, paragraph 5, of the Italian Civil Code, resolved by the Extraordinary Shareholders' Meeting of Go Internet on December 22, 2023 (the “Reserved Capital Increase”), became effective. The subscription of the Reserved Capital Increase took place by offsetting the trade receivable claimed by Shellnet from Go Internet – assigned by Shellnet in favour of Tessellis and, through further transactions, transferred to the Offeror on May 27, 2024 – in the amount of EUR 3,349,999.62.

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

As a result, the legal prerequisites for the promotion, by the Offeror, of a mandatory total tender offer (hereinafter referred to as the “Offer”) on the ordinary shares of Go Internet (hereinafter referred to as the “Shares”), a company with shares listed on the multilateral trading system Euronext Growth Milan, organised and managed by Borsa Italiana S.p.A. (hereinafter referred to as “Borsa Italiana”), pursuant to Articles No. 102 and 106, paragraph 1, of the TUF (Consolidated Financial Law), the latter as referred to in Article No. 9 of the Articles of Association, have been met.

### *3) 14 June 2024 - Publication of the offer document relating to the mandatory full takeover bid*

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 tender

offer (hereinafter also referred to as the “Offer”), pursuant to Article No. 106 of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and integrated (hereafter also referred to as the “TUF”, the Consolidated Financial Law), as referred to under Article No. 9 of the Issuer's Articles of Association (as defined below), on the ordinary shares of Go Internet.

In particular, the Offer relates to:

a) a maximum of no. 1,224,300 Shares outstanding on June 14, 2024, representing 22.80% of the Issuer's share capital as of the same date and 22.58% of the Issuer's share capital on a ‘fully diluted’ basis following the possible exercise of all the warrants issued by the Company in favour of Negma Group Investment Ltd. (hereinafter referred to as “Negma”), less the shares already held by the Offeror and by Shellnet S.p.A, a person acting in concert with the Offeror (Shellnet), i.e. (i) no. 4,135,802 Shares representing 77.04% of the share capital of Go Internet as of today's date (equal to 76.28% of the Issuer's share capital on a ‘fully diluted’ basis), held directly by the Offeror, and (ii) no. 8,351 Shares representing 0.16% of Go Internet's share capital as of today's date (equal to 0.15% of Go Internet's share capital on a ‘fully diluted’ basis), held by Shellnet;

b) a maximum of no. 53,166 Shares which could be issued, pursuant to the relevant regulations, in exercise of the warrants issued by the Company in favour of Negma, representing 0.98% of the Issuer's share capital on a ‘fully diluted’ basis, for a total maximum of no. 1,277,466 Shares (hereinafter also referred to as the “Offer Shares”).

The Offer Document is available to the public for consultation at: (i) the registered office of the Offeror, in Cagliari, Località Sa Illetta, SS 195 Km 2,300; (ii) the registered office of the Issuer, in Gubbio (PG), Piazza Bernini snc; (iii) the website of the Issuer ([www.gointernet.it](http://www.gointernet.it)); (iv) the website of Tessellis ([www.tessellis.it](http://www.tessellis.it)), and (v) the registered office of the intermediary in charge of coordinating the collection of acceptances (Banca Akros S.p.A, hereinafter also referred to as the “Intermediary In Charge of Collecting Acceptances”), in Milan, Viale Eginardo, no. 29.

#### 4) 26 July 2024 – Provisional results of the Offer following the Reopening of the Terms

On the basis of the provisional results communicated by Banca Akros S.p.A. – Gruppo Banco BPM (hereinafter also referred to as ‘Banca Akros’), as Intermediary in Charge of Coordinating the Collection of Acceptances, the Offeror announced that during the period of Reopening of the Terms (i.e. from July 22, 2024 to July 26, 2024, inclusive) no. 144,447 Shares, 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 possible exercise of all the Warrants) and amounting to 11.798% of the outstanding Shares subject to the Offer, for a total countervalue of EUR 117,002.07.

5) 29 July 2024 - Final results of the Offer following the Reopening of the Terms

On such date, the Offeror announced the final results of the Offer following the Reopening of the Terms.

On the basis of the final results communicated by Banca Akros S.p.A. – Gruppo Banco BPM (hereinafter also referred to as “Banca Akros”), as Intermediary In Charge of Coordinating the Collection of Acceptances, the Offeror announced that during the period of Reopening of the Terms (i.e. from July 22, 2024 to July 26, 2024, inclusive) no. 144,447 Shares, 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 possible exercise of all the Warrants) and amounting to 11.798% of the outstanding Shares subject to the Offer, for a total countervalue of EUR 117,002.07.

Therefore, the provisional results of the Offer following the Reopening of the Terms, which were the subject of the relevant notice published on July 26, 2024, are confirmed. It should be noted that neither the Offeror, nor Shellnet S.p.A., Tessellis and Tiscali Italia S.p.A., as Persons Acting in Concert with the Offeror, purchased Shares of the Issuer on the market during the Reopening of the Terms.

Accordingly, the Offeror, together with the Persons Acting in Concert, came to hold on the Date of Payment following the Reopening of the Terms (i.e., August 2, 2024) a total of 5,219,823 Shares representing 97.231% of the Issuer’s share capital.

The payment of the Price for each Issuer Share tendered to the Offer during the Reopening of the Terms (equal to EUR 0.81 per Share) took place – against the simultaneous transfer of the ownership of such Shares to the Offeror - on the Date of Payment following the Reopening of the Terms, i.e., August 2, 2024.

*Delisting*

The Offer was aimed at delisting the Shares of Go Internet (hereinafter referred to as the “Delisting”). In this respect, as already disclosed in the Press Release on the Provisional Results of the Offer as a result of the Reopening of the Terms released on July 26, 2024, the Offeror, during the Acceptance Period of the Offer, came to hold – also considering the Shares held by the Persons Acting in Concert – an overall percentage exceeding 90% of the Issuer's share capital. Consequently, as mentioned in the Offer Document, pursuant to Article No. 41 of “Part Two – Guidelines” of the Euronext Growth Milan Regulation, the Delisting took place without the need for the prior consent of the Issuer’s shareholders and took effect from the trading day following the Date of Payment as a result of the Reopening of the Terms, i.e., August 5, 2024.



### **Description of the Transaction – Strategic Reasons**

The Transaction will allow: Tessellis to expand its service portfolio, sales network and B2BX customer base by accelerating the realisation of the objectives of one of the pillars of its business plan; and Go Internet to realise industrial synergies with the group headed by Tessellis, as well as to find the means to improve its equity and financial situation.

### **Description of the Transaction - Accounting Aspects**

As previously indicated, as at June 30, 2024, the Group acquired 77.04% of Go Internet S.p.A.'s share capital (hereinafter also referred to as the "Acquired Company"). The Directors identified the price paid for the acquisition as EUR 3,349,999.62, with the issue of 4,135,802 shares of Go Internet (hereinafter also referred to as the 'New Shares'), representing 77.04% of Go Internet's share capital as at June 30, 2024.

In the consolidated financial statements for the six months ended June 30, 2024, the values of the net assets and net liabilities of the Acquired Company (amounting to EUR 0.8 million) were provisionally reflected in the statement of financial position at the carrying values resulting from the consolidated financial statements of the Acquired Company as at June 1, 2024, recording the residual value as goodwill of approximately EUR 4.7 million. It should be noted that this allocation is to be considered provisional, as it will be reviewed/supplemented during the finalisation of the PPA (Purchase Price Allocation) process, which will be completed within 12 months from the acquisition date as required by IFRS 3.

On July 29, 2024, upon the final completion of the Transaction, the group acquired an additional 20.191% stake, bringing the total percentage ownership to 97.231%.

## **4.5 Events subsequent to financial year-end**

### **Finalisation of the Go Internet Acquisition Transaction**

With respect to the Go Internet Acquisition Transaction, regarding the steps that occurred after June 30, 2024, and the finalisation of the same, please refer to what is described in the section "Go Internet Acquisition Transaction", under items 4) and 5).

### **Issue of No. 80 POC 2023 Bonds**

Beginning in July 2024 and up to the date of this Report, the Company issued 80 bonds of the mandatory convertible bond reserved for Nice & Green (POC 2023), for a countervalue of EUR 8 million. At the

date of this Report, 63 bonds had been converted into capital, for a value of EUR 6.3 million.

## Research & Development

During the first half of 2024, software development activities were carried out aimed at the evolution of the fixed and mobile network towards the new market standards (5G, UltraBroadband) that allow the Group's customers to be provided with increasingly high-performance services, as well as the evolution of IT systems aimed at more effective and efficient business management (ERP/CRM), and research activities preparatory to the implementation of the Villanova Project – IPCEI CIS.

## 4.6 Analysis of the Group's economic and financial situation

### 4.6.1 Analysis of the Group's economic situation

#### Income trend

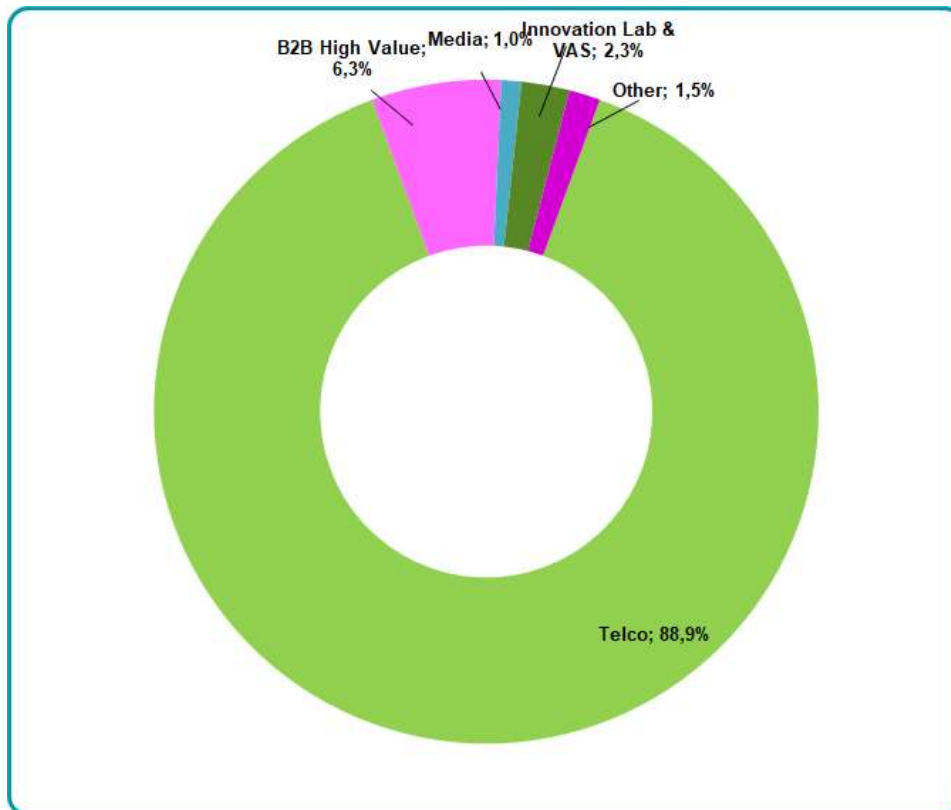
The main consolidated economic data with reference to the first half of 2024 are shown below.

Profit and Loss Statement of the Group	1° semester 2024	1° semester 2023
<i>(EUR mln)</i>		
<b>Revenue &amp; Other Income</b>	<b>110.2</b>	<b>119.0</b>
<b>Telco revenues</b>	<b>96.9</b>	<b>104.9</b>
of which fixed Broadband	40.4	42.5
of which Broadband FWA	45.1	52.6
of which MVNO	11.4	9.8
<b>Business service, PA and Media revenues</b>	<b>10.5</b>	<b>11.5</b>
of which Business service	6.4	3.5
of which sale of IPv4 addresses	-	4.9
of which Wholesale	0.5	0.5
of which Innovation Lab revenues	2.6	1.8
of which Media revenues	1.1	0.8
<b>Other revenues</b>	<b>1.7</b>	<b>1.3</b>
<b>Other Income</b>	<b>1.2</b>	<b>1.3</b>
<b>Gross operating margin</b>	<b>47.9</b>	<b>54.8</b>
<b>Indirect operating costs</b>	<b>31.4</b>	<b>33.3</b>
Marketing and sales	1.1	1.5
Personnel costs	16.2	19.4
IT and infrastructure costs	8.5	8.2
<b>Other general costs</b>	<b>5.5</b>	<b>4.1</b>
<b>Write-down of receivables</b>	<b>1.8</b>	<b>2.9</b>
<b>Gross Operating Result (EBITDA)</b>	<b>14.8</b>	<b>18.6</b>
Restructuring costs and other provisions	0.3	0.1
Depreciations & amortizations	35.5	41.9
<b>Operating result (EBIT)</b>	<b>(21.0)</b>	<b>(23.4)</b>
<b>Net Result</b>	<b>(26.1)</b>	<b>(26.7)</b>

Note: In order to allow for a better assessment of the results, with particular reference to the contribution margin, some reclassifications have been made to the presentation of the data as at June 30, 2023.

**Breakdown of revenues by business line and access mode**

An analysis of revenues by business line is given below.



Total revenues as at June 30, 2024, including other income, amounted to EUR 110.2 million.

They are broken down as follows:

- Telco revenues of EUR 96.9 million, comprising Fixed Broadband revenues, Broadband FWA revenues and MVNO revenues;
- Revenues from Business and Value Added Services (including Wholesale and IP Addresses revenues), amounting to EUR 6.9 million;
- Revenues from Media, amounting to EUR 1.1 million;
- Revenues from Innovative Services and VAS, amounting to EUR 2.6 million;
- Other Revenues and Other Income totalling EUR 2.9 million.

**Telco Revenues**

As previously mentioned, Telco Revenues account for 88.9% of total revenues. In this regard, it should be noted that the total customer base stood at 1,011 thousand units at June 30, 2024, down by approximately 51 thousand units compared to June 30, 2023 (-4.8%). The customer base is broken

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**TESSELLIS**

down as follows:

Active Customer Base	30/06/2024	31/12/2023	30/06/2023
Total Broadband Fixed	287,384	292,560	299,782
o/w Fiber	143,677	274,917	280,023
Total Broadband Wireless	374,668	401,050	455,623
Mobile (6 months in-out)	348,542	328,015	305,855
<b>Total Customer</b>	<b>1,010,594</b>	<b>1,021,625</b>	<b>1,061,260</b>

Telco revenues as at June 30, 2024 amounted to EUR 96.9 million and can be broken down as follows:

- Fixed Broadband revenues of EUR 40.4 million;
- Broadband FWA revenues of EUR 45.1 million;
- MVNO Revenues of EUR 11.4 million.

The decrease in the Broadband Fixed and Broadband Wireless customer base compared to June 30, 2023, equal to 4.1% and 17.8%, respectively, is consistent with the plan's objectives of focusing development on more profitable segments, such as services to businesses and the Public Administration, as well as mobile services.

The mobile sector grew its customer base in the first half of the year by 21 thousand, reaching 349 thousand customers at June 30, 2024, compared to 306 thousand at June 30, 2023 (+14%). This growth is attributable to the increased focus on the development of this business area, also thanks to the new offers introduced during the year, which saw a diversified portfolio based on different market needs in terms of the amount of data traffic, and the introduction of 5G offers in May 2024 (for further details, please refer to section 4.4 "Main activities and results achieved during the first half of 2024").

Revenues from Business Services (including Wholesales and revenues from IP Addresses sales)

These revenues, deriving from services to enterprises (VPN services, housing, hosting, domains and leased lines) and from wholesale of network infrastructures and services (IRUs, resale of voice traffic) to other operators (which exclude those related to access and/or voice products aimed at the same customer segment already included in the respective business lines), including wholesale revenues and IP Addresses sales, amounted to EUR 6.9 million at 30 June 2024 compared to EUR 9 million at 30 June 2023. In the first half of 2023, this item included revenues from the sale of IPv4 Addresses in the amount of EUR 4.9 million, while in the first half of 2024 these revenues are nil.

In particular, revenues from services to enterprises amounted to EUR 6.4 million compared to EUR 3.5 million in the comparative period, an increase of EUR 2.8 million (+79.1%).

### VAS Revenues and Innovative Services

Revenues from VAS and Innovative Services, relating to the services of the so-called “Future Communities”, amounted to EUR 2.6 million in the first half of 2024, compared to EUR 1.8 million in the first half of 2023, an increase of EUR 0.8 million, mainly due to the initiatives undertaken by the company to develop services for businesses and Public Administration in 2024, as described in section 4.4 “*Main activities and results achieved during the first half of 2024*”.

### Media Revenues

Revenues from the media segment (mainly related to the sale of advertising space) amounted to approximately EUR 1.1 million as at June 30, 2024, a 38% increase compared to the first half of 2023.

### Other Revenues

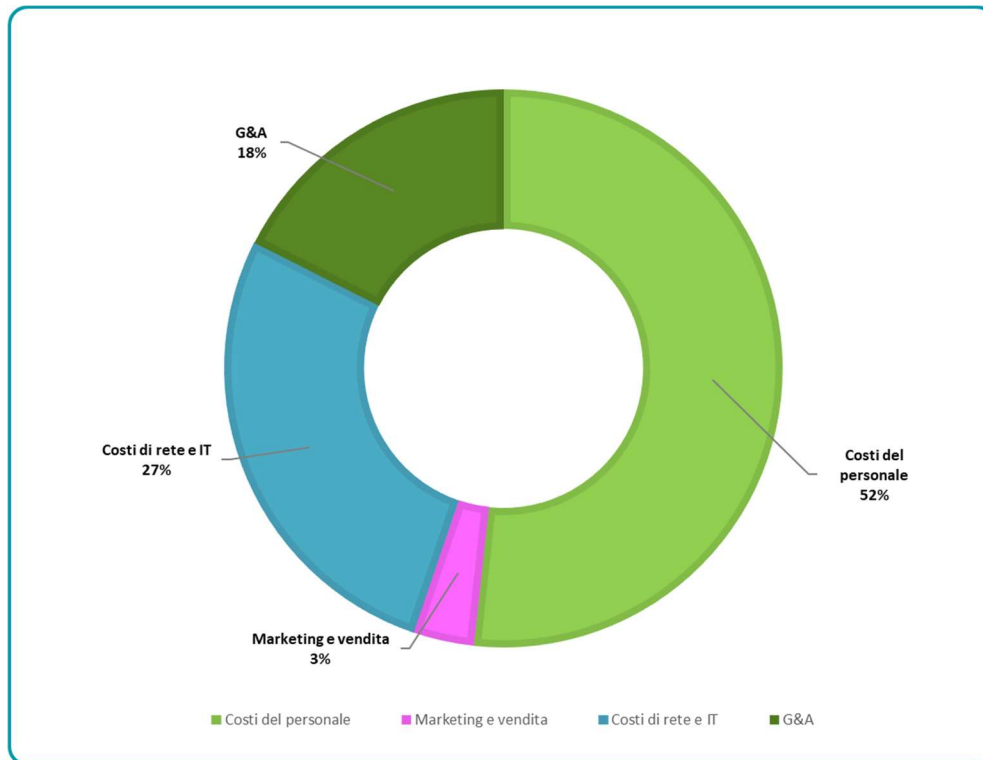
Other revenues as at June 30, 2024 amounted to EUR 1.7 million, compared to EUR 1.3 million recorded in the first half of 2023. Other revenues mainly include revenues for penalties (penalties for failure to return modems, decommissioning fees), revenues for renting space and workstations at the Sa Illetta head office in Cagliari to third party companies, and other revenues.

### Other (income) / charges

**Other income (net of other expenses)** amounted to EUR 1.2 million as at June 30, 2024 and included income from tax credits in the amount of EUR 0.6 million and other net contingent assets of approximately EUR 0.6 million.

**Gross Margin** amounted to EUR 47.9 million as at June 30, 2024, and was equal to 43.5% of revenues and other income.

**Indirect operating expenses** amounted to EUR 31.4 million as at June 30, 2024, and are broken down as follows:



#### 4.6.2 Analysis of the Group's asset situation

The Group's Consolidated Statement of Assets and Liabilities as at June 30, 2024 compared to as at December 31, 2023 is as follows.

Consolidated Statement of Equity and Liabilities	30 June 2024	31 December 2023
<i>(EUR million)</i>		
Non-current assets	256.5	263.9
Current assets	51.2	39.5
<b>Total Assets</b>	<b>307.7</b>	<b>303.3</b>
Net equity of the Group	(3.2)	24.4
Net equity attributable to minority interests	2.4	1.0
<b>Total net equity</b>	<b>(0.8)</b>	<b>25.4</b>
Non-current liabilities	109.2	115.7
Current liabilities	199.2	162.3
<b>Total Net equity and Liabilities</b>	<b>307.7</b>	<b>303.3</b>

## Assets

### Non-current Assets

Non-current assets as at June 30, 2024 amounted to EUR 256.5 million and represented 83.4% of the Tessellis Group's total assets, compared to 86.9% as at December 31, 2023, identifying a slower return of assets. These include goodwill, tangible and intangible assets, usage rights and customer acquisition costs totalling EUR 233 million, financial assets (including equity-accounted investments) of EUR 7.3 million and EUR 16.1 million of deferred tax assets.

### Current Assets

Current assets as at June 30, 2024 amounted to EUR 51.2 million and mainly included:

- Inventories of EUR 8.5 million, which include, respectively, EUR 6.2 million of IPv4 Addresses and approximately EUR 2.3 million related to contracts with the Public Administration, in progress at the balance sheet date;
- Trade receivables of EUR 19.7 million;
- Cash and cash equivalents of EUR 9.7 million;
- Other current assets, EUR 12.9 million. Other current assets include: (i) receivables from Infratel for voucher contributions of EUR 1.6 million; (ii) prepaid expenses related to the deferral of service costs of EUR 9.4 million; (iii) tax receivables of EUR 1.1 million; (iv) other receivables of EUR 0.8 million.

## Net equity

Consolidated Net Equity was negative EUR 0.8 million as at June 30, 2024. The decrease for the period was negative EUR 26.1 million, and is mainly attributable to the combined effect of the result for the period of negative EUR 26 million, the capital increase in the subsidiary Aetherna in the amount of EUR 23 thousand (contribution of the minority shareholder), and the changes in the value of the put options of Aetherna and 3P Italia totalling negative EUR 94 thousand.

## Liabilities

### Non-Current Liabilities

Non-Current Liabilities as at June 30, 2024 amount to EUR 109.2 million and include:

- EUR 64 million for items related to financial indebtedness (for which reference should be made to the section "Group Financial Position" below);

- Other non-current liabilities of EUR 14.6 million, of which EUR 11.2 million related to the long-term component of trade payables, EUR 2.9 million related to the long-term component of tax payables, EUR 0.3 million attributable to customer payables for security deposits and EUR 0.3 million related to payables to companies not consolidated on a line-by-line basis
- Provision for severance indemnities of EUR 8.4 million;
- Provision for risks and charges of EUR 5.8 million;
- Provision for deferred liabilities of EUR 16.4 million.

During the period, non-current liabilities decreased compared to the previous year by EUR 6.4 million. As a percentage of total liabilities including net equity, they amounted to 35.5%, down from 38.1% in the previous year.

### Current Liabilities

Current Liabilities amount to EUR 199.2 million and include:

- EUR 30.8 million for items related to financial indebtedness (for which reference should be made to the section “Group Financial Position” below), compared to a balance of EUR 24.4 million in the comparison period;
- EUR 124.3 million in trade payables, compared to a balance of EUR 94.4 million in the comparison period;
- EUR 43.9 million in other current liabilities, compared to a balance of EUR 43.4 million in the comparison period. This item mainly includes: (i) accrued expenses and deferred income for EUR 19.9 million; (ii) payables to tax and social security institutions for EUR 13.9 million; (iii) payables to employees for EUR 2.6 million; (iv) the short-term component of trade payables to Shellnet S. p.A. in the amount of EUR 3.1 million; (v) other payables to Shellnet S.p.A. in the amount of EUR 3 million, related to the acquisition of the Go Internet Group; (vi) other payables in the amount of EUR 1.4 million.

As at June 30, 2024, net trade payables past due (net of payment plans agreed with suppliers, accounts receivable and in dispute with the same suppliers) amounted to EUR 13.5 million (of which EUR 3.3 million past due by more than 12 months), compared to a balance of EUR 16 million in the comparison period (of which EUR 3.5 million past due by more than 12 months). Tax payables past due amount to approximately EUR 7.6 million (of which EUR 1.7 million past due by more than 12 months). Overdue social security debts amount to EUR 0.1 million, while there are no overdue financial debts.

Based on the information presented and with reference to the statement of financial position as at June 30, 2024, current liabilities exceed current assets by EUR 148 million, showing an imbalance in the



current account; this amount was EUR 122.8 million in the comparison period. This imbalance of current items is consistent with business needs, which include an initial investment phase to obtain new customers, and is also attributable to a higher proportion of current financial debt (+ EUR 6.5 million as at June 30, 2024 compared to December 31, 2023), mainly due to the consolidation of the Go Internet Group as at June 1, 2024.

As at June 30, 2024, the fixed asset coverage ratio, i.e. the ratio of net equity to fixed assets, was negative 0.3%, compared to a ratio of 9.7% in the comparative period.

#### 4.6.3 Analysis of the Group's financial situation

As at June 30, 2024, the Tessellis Group had cash and cash equivalents of EUR 9.7 million, while the net financial debt at the same date was negative EUR 84.3 million, an improvement compared to 2023, when the net financial debt was negative EUR 85.1 million.

Net Financial Position	Note	31 June 2024	31 December 2023
<i>(EUR mln)</i>			
A. Cash and bank deposits		9.7	7.7
B. Cash equivalents		-	-
C. Securities held for trading		-	-
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>		<b>9.7</b>	<b>7.7</b>
<b>E. Current financial receivables</b>		<b>-</b>	<b>-</b>
<b>F. Non-current financial receivables</b>		<b>0.8</b>	<b>0.8</b>
G. Current bank payables		6.6	3.1
H. Current portion of bonds issued	(1)	-	-
I. Current part of long-term loans	(2)	15.8	14.3
J. Other current financial payables	(3)	8.4	7.0
<b>K. Current financial indebtedness (G) + (H) + (I) + (J)</b>		<b>30.8</b>	<b>24.4</b>
<b>L. Net current financial indebtedness (K)-(D)-(E)-(F)</b>		<b>20.4</b>	<b>15.9</b>
M. Non-current bank loans	(4)	50.0	53.0
N. Bonds issued		-	-
O. Other non-current financial payables	(5)	13.9	16.3
<b>P. Non-current financial indebtedness (M)+(N)+(O)</b>		<b>64.0</b>	<b>69.3</b>
<b>Q. Net financial indebtedness (L)+(P)</b>		<b>84.3</b>	<b>85.1</b>

- (1) It includes the current portion of the payable to Senior Lenders (including Financing ex Cr Umbria) for EUR 13 million and the current portion of long-term payables of the subsidiaries for EUR 2.8 million.
- (2) It includes the current portion of financial lease payables related to network infrastructure investments and capitalised lease contracts in accordance with IFRS 16 for EUR 8 million and other current financial payables of the subsidiaries for EUR 0.4 million.
- (3) It includes the long-term portion of the payable to Senior Lenders (including the former Cr Umbria Loan) for EUR 47.4 million and the long-term portion of other bank loans for EUR 2.6 million.
- (4) It includes the long-term portion of financial lease payables related to network infrastructure investments and capitalised lease contracts in accordance with IFRS 16 for EUR 9.7 million, other financial payables for EUR 0.4 million, as well as financial payables recognised in connection with the put option held by the subsidiaries 3P Italia S.p.A. and Aetherna for EUR 3.9 million.

Below, for the sake of completeness, we also provide a reconciliation of the above financial indebtedness with the financial indebtedness prepared in light of Consob Attention Notice No. 5/21 of April 29, 2021 and reported in the Explanatory Notes. In addition to the addition of liabilities for the long-term component of trade payables and accrued tax payables, the table below includes the elimination of the impact of assets included in "Other cash and cash equivalents" and in "Non-current financial receivables" relating to security deposits not considered for Consob purposes.

	30 June 2024	31 December 2023
<i>(EUR mln)</i>		
<b>Consolidated net financial debt</b>	<b>84.3</b>	<b>85.1</b>
Non-current financial receivables	0.8	0.8
Long-term trade payables and installment tax payables	14.0	15.4
<b>Consolidated net financial debt prepared on the basis of Consob communication No. 5/21 dated 29 April 2021</b>	<b>99.1</b>	<b>101.4</b>

Again, thanks to the reduction in non-current trade payables and tax payables in instalments, the balance of net financial debt, drawn up as indicated, decreased compared to the previous year by EUR 2.3 million.

As at June 30, 2024, the treasury ratio, calculated as the result of working capital net of inventories, compared to current liabilities, was -0.79, which indicates the impossibility of covering current cash needs with cash flows generated by operating activities. This compares with an index of -0.81 as at December 31, 2023.

#### 4.7 Business Outlook

The Group is undergoing an ambitious process of transformation from the traditional telco model aimed at consumer customers to a full digital company in which telco services constitute the entry point for the marketing of OTT services to businesses and public administrations. At the same time, the Group continues to work on improving the marginality of prevailing services, as well as on relaunching the Tiscali brand. In this context, the Villanova Project, with its research and development in the field of

generative Artificial Intelligence, which will make it possible to expand the portfolio of offers with services of high technological and innovative value, is of strategic importance.

#### **4.8 Main risks and uncertainties to which Tessellis S.p.A. and the Tessellis Group are exposed**

##### Risks associated with highly competitive markets

The Tessellis Group operates in the highly competitive fixed and mobile telecommunications services market.

As already described in the preceding paragraphs, the Group competes with telecommunications operators that have a significantly larger market share than Tessellis, who have strong brand recognition supported on an ongoing basis by major investments in communication, a consolidated customer base and significant financial resources that enable them to make significant investments, particularly in research aimed at developing technologies and services. The market, characterised by a high degree of competitiveness, sees the consolidation of multi-utility solutions by large groups (Wind Tre, Fastweb, Enel to mention the most relevant) and integration between fixed and mobile. The launch of Sky Mobile, at the end of February 2024, the result of commercial collaboration with the operator Fastweb, is positioned in this direction.

In order to compete with the above-mentioned competitors, Tessellis' strategy continues to be focused on the provision of quality Internet access services, in particular UltraBroadband solutions in ultra-high-capacity fibre, on the development of the mobile market with increasingly high-performance offers thanks to the introduction of 5G, and on fixed-mobile convergent offers. Special attention is being paid to the small business market and, in general, to the development of the market for high-value services aimed at businesses capable of generating higher margins. On the residential market, a process has been launched to identify value-added solutions capable of flanking and innovating the core business. Any inability of the Group to compete successfully in the sector in which it operates with respect to its current or future competitors could negatively affect its market position, resulting in the loss of customers and negative effects on the Company's business, economic and financial situation and assets.

##### Risks related to possible system outages, delays or breaches in security systems and Cyber Risk

The Tessellis Group's ability to attract and retain customers will continue to depend significantly on the operation of its network and information systems and, in particular, on the continuity and security of the same and of its servers, hardware and software.

Possible power failures or telecommunication interruptions, security system breaches and other similar

unforeseeable negative events (such as the complete destruction of the data centre) could cause interruptions or delays in the provision of services, with consequent negative effects on the Group's business and financial position and on its prospects. The Group has implemented a series of preventive measures aimed at minimising this risk.

Moreover, considering that the proper functioning of the company's IT infrastructures is critical to business continuity, technical and procedural solutions have been put in place to protect the data centre and systems.

The datacentres in Cagliari and Rome, which house the IT systems, are equipped with security systems adequate to the risks faced, from the standpoint of physical access, power supply, air-conditioning systems, fire-fighting measures, and anti-flooding measures. All IT and ICT systems that support the core business are redundant, to limit the impact on operations due to the possible unavailability of individual components. Firewalls, solutions to protect against DDoS attacks, and IPS/IDS (computer intrusion detection and prevention) systems, renewed in 2023, are fully operational.

In addition, with the OneCompany project, the Company continues to invest resources in updating the hardware and software components that support the core business, with the aim of unifying the IT platforms and further increasing their reliability and resilience, thanks also to the gradual decommissioning of legacy components.

To mitigate the risks of cyber-attacks on the IT infrastructure, the Company adopted a cyber threat monitoring and prevention solution in 2022, which integrates both XDR functions and next-generation anti-malware protection, extending coverage to systems excluded from the previous solution. The monitoring and operational management of the solution is entrusted to HWG Sababa, which supports Tessellis in its security posture improvement activities. A Cybersecurity Operation group (SOC) was established in 2023 with the objective of actively monitoring the company's security posture, identifying any vulnerabilities and putting in place appropriate remediation and/or mitigation measures. The SOC actively supported HWG Sababa in monitoring the XDR platform, quickly intervening in the management of any alerts to identify their cause and remedy them. It also made important integrations and configurations to extend monitoring to other company platforms. A commercial Vulnerability Assessment solution was also adopted in the first half of 2024, which the SOC constantly uses to identify any vulnerabilities and prioritise remedial actions. With the support of HWG Sababa and the SOC, security training for all company staff continues.

#### Compliance with ISO standards

During 2024, the process of enhancing the High Value Business area continued with the commitment to maintain the ISO 9001 (Quality Management Systems), ISO 20000-1 (ICT Service Management Requirements), ISO 27001, 27017, 27018 (Information Security Management Systems), and ISO 22301 (Business Continuity Management Systems) certifications, for which the Certification Audit is scheduled

to be carried out from 2 to 6 December 2024 by the Bureau Veritas Certification Body.

In addition, the Certification Audit for which the scope of certification has been extended to the perimeter of the Cagliari Sa Illetta campus in the area of Occupational Health and Safety Management Systems (ISO 45001) and Environmental Management Systems (ISO 14001) is planned between the second half of December 2024 and the first half of January 2025.

Finally, the continuous training of all company personnel continues in multiple training sessions at the Bari, Cagliari, Rome and Taranto sites in the area of Occupational Health and Safety.

#### *General Data Protection*

The Tessellis Group ensures constant monitoring of personal data protection issues, with reference to both company personnel and customers, adapting operational processes to comply with the relevant laws and regulations.

#### Risks related to the evolution of technology

The sector in which the Tessellis Group operates is characterised by profound and sudden technological changes, high competition and rapid obsolescence of products and services. The Company's success in the future will also depend on its ability to foresee these technological changes and its capacity to promptly adapt to them through the development of products and services capable of satisfying customer needs.

Any inability to adapt to new technologies and, therefore, to changes in customer needs could have a negative impact on the Company's business and on its economic and financial situation.

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

As anticipated in paragraph "4.2 Regulatory Framework" above, the telecommunications sector in which the Tessellis Group operates is highly regulated and governed by extensive, stringent and articulated legislative and regulatory legislation, especially with regard to the granting of licences, competition, frequency allocation, tariff setting, interconnection agreements and leased lines. Legislative, regulatory or political changes affecting the Company's activities, as well as sanctioning measures issued by AGCOM, could adversely affect the Company's business and reputation and, consequently, its economic, equity and financial position as well as its ability to achieve the objectives set forth in the 2024-2027 Updated Business Plan.

In particular, such changes could entail the introduction of greater burdens, both in terms of direct outlays and additional compliance costs, as well as new liability profiles and regulatory barriers to the provision

of services. Any changes in the regulatory framework, as well as the adoption of measures by AGCOM, could also make it more difficult for Tessellis to obtain services from other operators at competitive rates, or could limit access to systems and services necessary to carry out the Company's business.

Furthermore, given the Tessellis Group's dependence on the services of other operators, the Company may not be able to promptly transpose and/or adapt to any provisions modifying the current legislative and/or regulatory regime in force, with consequent negative effects on the Company's business and on its economic and financial situation and prospective data. Despite the situation of uncertainty indicated, at present the Company has reflected the impacts of regulatory changes foreseeable to date in its prospective data.

#### Risks associated with financial indebtedness

The evolution of the Tessellis Group's financial situation depends on several factors, in particular, the achievement of the objectives set forth in the 2024-2027 Updated Business Plan, the trend of the general conditions of the economy, the financial markets and the sector in which the Group operates.

The directors believe that the risk in question has been mitigated by the actions taken by the Company during 2024 aimed at strengthening the Group's capital and financial structure.

The directors point out that in the first half of 2024, the Company improved its net financial debt (including trade and other non-current payables) from EUR 101.4 million as at December 31, 2023 to EUR 99.1 million as at June 30, 2024, also due to the repayment of approximately EUR 6.9 million principal amount of the outstanding Senior Loan.

One source of financing is the convertible and converting bond reserved for Nice & Green (POC 2023), whose regulations were amended by the Tessellis' Ordinary and Extraordinary Shareholders' Meeting on 17 June 2024. The POC allows the Company to have the availability of a total amount of EUR 62 million, and to draw EUR 2 million per month on this instrument until 31 December 2026.

In the months of July to September 2024, and up to the date of this Report, 80 bonds were issued for a countervalue of EUR 8 million. These bonds were converted into capital for a total amount of EUR 6.3 million.

The Directors are also evaluating opportunities in the market to review its debt structure, with the aim of obtaining new financial resources and making the maturities of the current debt more consistent with the requirements of the 2024-2027 Updated Business Plan.

For further details on the actions implemented by the Company in the first months of 2024 and the strategies aimed at mitigating financial risk, please refer to section "5.6 - Going Concern Assessment".

### Risks associated with exchange rate and interest rate fluctuations

Tessellis essentially operates in Italy. Some supplies, albeit for insignificant amounts, may be denominated in foreign currencies; therefore, the exchange rate fluctuation risk to which the Company is exposed is minimal.

In relation to the exposure to risks connected to interest rate fluctuations, due to the fact that the most significant portion of financial debt is at fixed rates, the management considers the risk of interest rate fluctuations to be insignificant for the Company's assets and financial position.

### Risks related to relations with suppliers

The Tessellis Group's business depends on existing contracts with its strategic suppliers on which the Company's ability to access its market depends.

In the event that: (i) these contracts are not renewed upon expiry or are renewed under less favourable terms and conditions than those currently in place; or (ii) the Group is unable to conclude the new contracts necessary to develop its business; or (iii) there is a serious breach of contract by the Group or by the suppliers themselves, these circumstances could have an adverse effect on the Group's business and on its economic and financial position, with a consequent impact on the possibility of continuing to operate as a going concern in the medium term.

The terms and conditions of these contracts are of a regulatory nature and at present there are no elements that could lead to the assumption that they will not be renewed upon expiry.

### Risks associated with dependence on licences, authorisations and the exercise of rights in rem

The Tessellis Group conducts its business on the basis of licences and authorisations - which are subject to periodic renewal, modification, suspension or revocation by the competent authorities - and benefits from easements of way, rights of use as well as administrative authorisations for the construction and maintenance of the telecommunications network. In order to be able to conduct its business, the Group must retain and maintain licences and authorisations, rights of way and use, and other administrative authorisations.

The most important licences, without which the Company would not be able to conduct its business or part of it, with consequent repercussions on business continuity, are as follows:

- general authorisation for the provision of the "data transmission" service: in the event of the loss of this authorisation – which in turn expires on December 10, 2027 – the Company would no longer be able to provide Internet access services; as things stand, the Company has all the necessary requisites for the renewal of this authorisation on its expiry, to obtain which it will

however be necessary to submit a new DIA (Declaration on the Commencement of the Activities);

- general authorisation (formerly individual licence) for “voice telephony accessible to the public on the national territory”, expiring on December 31, 2038: in the event of the loss of this authorisation, the Company would no longer be able to provide voice services involving the use of geographic numbers; as things stand, the Company has all the requirements necessary to renew this authorisation on its expiry, in order to obtain which it will however be necessary to submit a new DIA (Declaration on the Commencement of the Activities);
- general authorisation for “electronic communication networks and services”, expiring on January 11, 2032: in the event of the loss of this authorisation, the Company would no longer be able to build network infrastructures and therefore provide connectivity services on proprietary infrastructures;
- general authorisation for the provision of the mobile service “Enhanced Service Provider”: in the event of the loss of this authorisation – due to expire on December 31, 2038 – the Company would no longer be able to provide mobile services (voice and data);
- authorisation for the provision of national audiovisual media services for the ‘BIKE’ channel (LCN channel 259, sports genre), obtained on September 6, 2023.

#### 4.9 Litigation, Contingent Liabilities and Commitments

Please refer to the section *Litigations, Contingent Liabilities and Commitments* in the Explanatory Notes to the Financial Statements.

#### 4.10 Non-recurring Transactions

Please refer to the section *Non-Recurring Transactions* in the Explanatory Notes to the Financial Statements.

#### 4.11 Atypical and/or Unusual Transactions

Pursuant to the CONSOB Communication of July 28, 2006, it should be noted that during the year 2022, the Group did not undertake any atypical and/or unusual transactions, as defined in the Communication.



#### 4.12 Related Party Transactions

As regards economic and financial relations with related parties, please refer to the section *Related Party Transactions* in the Explanatory Notes to the Consolidated Financial Report.

Please note that the document illustrating the procedure for regulating related parties can be found at [www.tessellis.it/procedure](http://www.tessellis.it/procedure).

Cagliari, October 8, 2024

**The CEO**



**Davide Rota**

**The Executive in Charge of Preparing the  
Company's Accounting Documents**



**Fabio Bartoloni**

## Half-year Consolidated Financial Statements as at June 30, 2024

## 5 Consolidated Financial Statements and Explanatory Notes

### 5.1 Income Statement

Consolidated income Statement	Notes	1° semester 2024	of which related parties	1° semester 2023	of which related parties
<i>(Thousands of Euros)</i>					
Revenues	1	109,012	438	117,737	33
Other incomes	2	1,195		1,301	
Purchase of materials and external services	3	77,435	24,272	78,020	28,948
Personnel cost	4	16,229	587	19,428	629
Other operating charges (incomes)	3	25		100	
Write-downs of receivables from customers	5	1,759		2,869	
Restructuring costs and other provisions	6	279		105	
Depreciations & amortizations	7	35,491		41,907	
<b>Operating result</b>		<b>(21,011)</b>		<b>(23,391)</b>	
Result from the investments evaluated at equity method		(451)		(108)	
Financial Income	8	6		80	
Financial Expenses	8	4,610	190	3,257	
<b>Income (loss) before tax</b>		<b>(26,066)</b>		<b>(26,676)</b>	
Taxation	9	13		-	
<b>Net result from operating activities (ongoing)</b>		<b>(26,079)</b>		<b>(26,676)</b>	
Result from held for sale and discontinued operations		-		-	
<b>Net result</b>	11	<b>(26,079)</b>		<b>(26,676)</b>	
<b>To be attributed to:</b>					
- Result pertaining the Parent Company		<b>(26,007)</b>		<b>(26,810)</b>	
- Result pertaining Third Parties	10	<b>(72)</b>		<b>134</b>	
<b>Profit (loss) per share</b>					
Profit per share from current and transferred activities:					
- Base		(0.111)		(0.148)	
- Diluted		(0.111)		(0.148)	
Profit per share from current activities:					
- Base		(0.111)		(0.148)	
- Diluted		(0.111)		(0.148)	

## 5.2 Comprehensive Income Statement

Comprehensive Income Statement	1° semester 2024	1° semester 2023
<i>(Thousands of Euros)</i>		
<b>Result for the period</b>	<b>(26,079)</b>	<b>(26,676)</b>
<b>Other elements for the comprehensive Income Statement:</b>		
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	-	-
<i>(Loss)/profit from revaluation on plans with defined benefits</i>	-	-
<b>Total of other elements for the comprehensive Income Statement:</b>	<b>-</b>	<b>-</b>
<b>Total result of the comprehensive Income Statement</b>	<b>(26,079)</b>	<b>(26,676)</b>
To be attributed to:		
<i>Shareholders of the Parent Company</i>	<b>(26,007)</b>	<b>(26,676)</b>
<i>Minority Shareholders</i>	<b>(72)</b>	<b>-</b>
<b>Total</b>	<b>(26,079)</b>	<b>(26,676)</b>

### 5.3 Statement of Assets and Liabilities

Statement of Assets and Liabilities	Notes	30 June 2023	of which related parties	31 December 2023	of which related parties
<i>(Thousands of Euros)</i>					
<i>Non-current assets</i>					
Goodwill	12	53,008		48,292	
Intangible assets	13	103,595		107,632	
Leased contracts rights of use	14	8,770		10,159	
Customer acquisition costs	15	16,372		18,354	
Property, plants and machinery	16	51,289		55,378	
Investments evaluated at equity method	17	5,396		5,597	
Other financial assets	18	1,937		1,911	
Deferred tax assets	19	16,104		16,558	
		<b>256,471</b>		<b>263,881</b>	
<i>Current assets</i>					
Inventories	20	8,477		8,297	
Trade receivables	21	19,716	257	15,070	743
Tax receivables	22	394		123	
Other receivables and other current assets	23	12,957	-	8,257	11
Cash and cash equivalents	24	9,676		7,711	
		<b>51,220</b>		<b>39,458</b>	
<b>Total assets</b>		<b>307,691</b>		<b>303,339</b>	
<i>Capital and reserves</i>					
Share Capital		205,014		208,993	
Stock option reserve		-		-	
Results from previous fiscal years and other reserves		(182,159)		(122,218)	
Results for the fiscal year pertaining to the Group		(26,007)		(62,373)	
<b>Result for the year pertaining to the Group</b>	25	<b>(3,152)</b>		<b>24,402</b>	
<b>Minority interests</b>		<b>2,363</b>		<b>959</b>	
Equity attributable to minority interests	26	2,363		959	
<b>Total Net Assets</b>		<b>(789)</b>		<b>25,361</b>	
<i>Non-current liabilities</i>					

## First-Half Consolidated Financial Report as at 30 June 2024


 TESSELLIS

Payables to banks and other lenders	27	56,967	2,689	61,003	4,228
Lease payables	27	6,987		8,292	
Other non-current liabilities	28	14,558	-	15,956	3,308
Liabilities for pension benefits and severance pay	39	8,487		7,839	
Provisions for liabilities and charges	30	5,799		6,021	
Provisions for deferred taxes	31	16,443		16,558	
		<b>109,241</b>		<b>115,669</b>	
<i>Current Liabilities</i>					
Payables to banks and other lenders	27	27,356	4,495	20,241	2,853
Lease payables	27	3,473		4,144	
Payables to suppliers	32	124,271	47,908	94,372	18,569
Tax payables	33	224		128	
Other current liabilities	34	43,915	3,382	43,425	3,347
		<b>199,239</b>		<b>162,310</b>	
Payables directly related to held for sale		-		-	
<b>Total Net Assets and Liabilities</b>		<b>307,691</b>		<b>303,340</b>	

## 5.4 Cash Flow Statement

Cash Flow Statement	Notes	1° semester 2024	of which related parties	1° semester 2023
<i>(Thousands of Euro)</i>				
OPERATING ACTIVITIES				
<b>Result from continuing operations</b>		<b>(26,079)</b>	<b>(24,612)</b>	<b>(26,676)</b>
<i>Adjustments for:</i>				
Depreciation	7	35,491		41,906
Income from allocation of Bonus Sud and Industria 4.0 tax credits	2	(484)		(546)
Provision for write-downs accounts receivables from customers	5	1,759		2,869
Write-down of assets	6	145		-
Income taxes	9	13		17
Changes in provision for risks	6	(63)		(490)
Payables/ receivables and other credits write-offs	3 - 2	-		1,975
Other variations	6 - 18	588		(434)
Provision for severance pay	4	1,119		954
Fastweb Voucher utilization	3	-		3,845
Financial charges / income	9	4,605		3,177
<b>Cash flows from operating activities before changes in working capital</b>		<b>17,094</b>	<b>(24,612)</b>	<b>26,597</b>
Changes in receivables	21	(4,053)	(91)	(7,570)
Change in stock	20	(79)		9,924
Change in trade payables	32	28,586	21,134	18,778
Change in long-term trade payables	28	7,062		(9,816)
Net change in provisions for risks and charges	30	(159)		(73)
Net change in the provision for severance pay	29	(365)		(366)
Changes in other liabilities	34	272	(19)	(6,429)
Changes in other assets	23	(3,549)	9	(2,612)
<b>Changes in working capital</b>		<b>27,715</b>	<b>21,032</b>	<b>1,836</b>
<b>NET CASH FLOW PROVIDED BY CONTINUING OPERATIONS</b>		<b>44,809</b>	<b>(3,580)</b>	<b>28,433</b>
INVESTMENT OPERATIONS				
Change in other financial assets	18	12		(130)
Acquisitions of Fixed Tangible Assets	16	(2,519)	(563)	(7,335)
Acquisition of rights of use	14	(259)		-
Acquisitions of Customers acquisition costs	15	(4,579)		(6,809)
Acquisitions of Intangible Fixed Assets	12	(9,985)		(10,234)
<i>o/w due to voucher utilization ( no cash effect)</i>	13-16	-		155
<i>o/w for debt discounting - capex</i>	13-16	(142)		-

## First-Half Consolidated Financial Report as at 30 June 2024



Fees for purchase/sale of participations		(3,486)	-	
Change in payables to suppliers of fixed assets	28	(13,678)		3,913
<b>NET CASH FLOW GENERATED BY (USED IN) INVESTMENT OPERATIONS</b>		<b>(34,636)</b>	<b>(563)</b>	<b>(20,440)</b>
<b>FINANCING OPERATIONS</b>				
Change in payables to banks and other lenders	27	(6,474)	103	(9,849)
<i>of which:</i>				
<i>Repayment of principal and interest on Senior Debt</i>		(7,658)		(5,030)
<i>Increase/Decrease in overdrafts</i>		1,184	103	(4,819)
<i>3P Italy put option evaluation</i>		-		-
Repayment/acceptance of financial leases	27	(2,253)		(2,651)
Exchange rate effect	8	(1)		(12)
OCI reserves	25	-		-
Changes in Shareholders' Equity	25	23		3,820
<b>NET CASH FLOW GENERATED BY (USED IN) FINANCING OPERATIONS</b>		<b>(8,705)</b>	<b>103</b>	<b>(8,692)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS IN THE PERIOD</b>		<b>1,468</b>	<b>103</b>	<b>(699)</b>
<b>NET CASH FLOW GENERATED BY (USED IN) DISCONTINUED OPERATIONS</b>		<b>-</b>		<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>7,711</b>		<b>3,935</b>
<b>CASH AND CASH EQUIVALENTS FROM CHANGE IN SCOPE OF CONSOLIDATION</b>		<b>495</b>		<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT YEAR-END</b>		<b>9,674</b>	<b>(4,040)</b>	<b>7,566</b>



## 5.5 Statement of Changes in the Shareholder's Equity

	Capital	Legal reserve	Reserve for employees benefits	Accumulated losses and other reserves	Net Equity pertaining to the Group	Minority Interests	Total
<b>Balance as of January 1, 2024</b>	<b>208,993</b>	<b>2,011</b>	<b>43</b>	<b>(186,645)</b>	<b>24,402</b>	<b>959</b>	<b>25,361</b>
Reduction in share capital	(3,979)			3,979	-		23
Aetherna _ incremento capitale socio di minoranza				23	23		-
Aetherna_Increase in minority interests				(284)	(284)	284	(93)
Variation of put option 3P Italy & Aetherna				(93)	(93)		-
Reclassification from other reserves to legal reserve		(8.2)		8	-		-
Go Internet_Equity of minority interests				(1,192)	(1,192)	1,192	(26,079)
Comprehensive Income Statement Result				(26,007)	(26,007)	(72)	-
<b>Balance as of June 30st, 2024</b>	<b>205,014</b>	<b>2,003</b>	<b>43</b>	<b>(210,212)</b>	<b>(3,152)</b>	<b>2,364</b>	<b>(788)</b>

<i>(Migliaia di Euro)</i>	Capital	Legal reserve	Reserve for employees benefits	Accumulated losses and other reserves	Net Equity pertaining to the Group	Minority Interests	Total
<b>Balance as of January 1, 2023</b>	<b>185,514</b>	<b>2,011</b>	<b>272</b>	<b>(122,669)</b>	<b>65,128</b>	<b>1,013</b>	<b>66,141</b>
Bond conversion	4,000				4,000		4,000
Capital increase	19,479				19,479		19,479
Accessory charges capital increase				(211)	(211)		(211)
Media PA Clearance				(11)	(11)		(11)
Variation of put option 3P Italy & Aetherna				(320)	(320)		(320)
Effects first consolidation Aetherna				(1,061)	(1,061)	(223)	(1,284)
Comprehensive Income Statement Result			(229)	(62,374)	(62,602)	170	(62,433)
<b>Balance as of December 31st, 2023</b>	<b>208,993</b>	<b>2,011</b>	<b>43</b>	<b>(186,645)</b>	<b>24,402</b>	<b>959</b>	<b>25,361</b>

## 5.6 Going Concern Assessment

### Management, income, equity and financial performance of the company

During the first half of 2024, the Tessellis Group operated within the framework of the provisions of the 2024-2027 Updated Business Plan, which, we recall, was approved by the Board of Directors on May 7, 2024. In particular, in the execution of the same plan, the Directors highlight how actions have been put in place to achieve long-term objectives, such as:

- the finalisation, on 31 May, of the Transaction to acquire the Go Internet-XStream Group, acquiring a 77.04% stake through a reserved capital increase and, subsequently, following the results of the total takeover bid, increasing the same stake to 97.23%. The acquisition of the Go Internet Group, in particular of the investee XStream, will allow the Group to expand its service portfolio, sales network and B2BX customer base, accelerating the Group's refocusing on business services;
- the maintenance of a commercial focus on telecommunications services with a better ratio between initial investment and margins generated, which led to an increase in the mobile customer base from 306,000 active customers at June 30, 2023 to 349,000 at June 30, 2024 (+14%). Conversely, as a result of a more efficient broadband customer acquisition policy (both FTTx and FWA), the fixed network customer base decreased from 1,061 as at June 30, 2023 to 1,011k as at June 30, 2024;
- the consolidation of relations with financial institutions, also achieved through the repayment of approximately EUR 14 million plus interest on the Senior Loan, EUR 7 million of which in the first half of the year and a further EUR 7 million in September. Net financial debt (including trade payables and other non-current payables), increased from EUR 101.4 million as at December 31, 2023 to EUR 99.1 million as at June 30, 2024 and includes, in addition to the aforementioned repayments, the effects of the consolidation of the Go Internet Group;
- the signing of certain amendments to the Regulations of the Nice & Green convertible and convertible bond loan (POC 2023), regarding the essential conditions of use and maturity date of the POC, thanks to which the Company is able to draw on this instrument for approximately EUR 2 million per month until December 31, 2026. In the months from July to September, the Company requested the subscription of 80 bonds, for a total countervalue of EUR 8 million (of which EUR 6.3 million converted into capital);
- the obtainment, on September 30, 2024, from MIMIT of the "Decreto di Concessione" of the financial facilitation provided by the Ministry's "Decisione di Autorizzazione" in favour of the Villanova Project. As per the "Decreto di Concessione", whose acceptance was formalised today by the Company. From a substantial point of view, the project activities have already been underway since December 2023. For further details, please refer to the section "Main activities and results achieved in the first half of 2024";
- the recording of a positive cash flow from operations before changes in working capital of EUR 17.1 million.

The actions put in place during the first half of the year, in the opinion of the Directors, will contribute to the achievement of the objectives included in the 2024-2027 Updated Business Plan, in a context where critical issues persist and are outlined below:

- from an income perspective, in the first half of 2024 the group reported revenues (including other income) of EUR 110.2 million, with an operating loss of EUR 21 million and a net loss for the year of EUR 26.1 million. This result, compared to that of the same period of the previous year, shows a reduction in revenues of about EUR 9 million, although in a context of an improvement of about EUR 2.4 million in the operating result and about EUR 0.6 million in the net result;
- on the other hand, from a balance sheet standpoint, consolidated shareholders' equity was negative for EUR 0.8 million as at June 30, 2024 (Group shareholders' equity was negative for EUR 3.2 million) and decreased by EUR 26.2 million, compared to December 31, 2023. This amount, even in the presence of capital increases linked to the conversion of the aforementioned POC, is estimated to remain negative at the end of this financial year. However, this is not relevant at the level of individual Group entities, which are adequately capitalised at the date of this report;
- from a financial point of view, the Group has reduced its debt exposure (including trade payables and other non-current payables) from EUR 101.4 million as at December 31, 2023 to EUR 99.1 million as at June 30, 2024, also thanks to the repayment of the principal related to the Senior Loan outstanding. However, it should be noted that this Senior Loan has an ultimate maturity date of March 2026 (the residual portion of which amounted to EUR 52.5 million as of the date of this report), by which date the Company will have to find the necessary financial resources to fulfil this obligation, or refinance the debt with today's counterparties or third parties.

### **The cash plan October 2024 – December 2025 and the actions identified to support the execution of the 2024-2027 Updated Business Plan**

In order to be able to fully execute the actions set forth in the 2024-2027 Updated Business Plan under the circumstances indicated, the Directors proceeded to update the cash plan for the period from October 2024 to December 2025, identifying the resources required for the coming periods. This cash plan, shown net of the support already received as of the date of this report from the Shareholder for EUR 45 million and described in the following paragraphs, provides for a requirement of approximately EUR 40 million to allow for: *i)* the fulfilment of all ordinary and current obligations, *ii)* the payment of the instalments agreed with suppliers and other debtors, *iii)* the repayment of the financial payables related to the Senior Loan at the due dates for EUR 16.4 million of principal and interest for the period estimated at EUR 1.2 million, and *iv)* a reduction in overdue trade payables.

Financial resources, already available to the Directors at the date of this report, include:

1. the support by the Shareholder Shellnet S.p.A., to subscribe to a capital increase, also through the conversion of receivables as of the date of this report claimed by the latter for an amount of EUR 30 million, with the commitment to defer, pending such capital increase, the payment due dates related to its receivables for the same amount for a period of not less than 12 months;
2. the conversion by the same Shareholder of a further EUR 15 million into a subordinated shareholder loan subordinated and subordinated to the Senior debt;
3. cash and cash equivalents as of 30 September 2024, equal to approximately EUR 2 million, including credit lines available for advances subject to collection of invoices receivable.

The financial resources identified to meet financial needs, on the other hand, include:

1. the possibility of using the POC described in the previous paragraphs for an amount of EUR 2 million per month;
2. the possibility of selling a further portion of IP4V addresses currently in the portfolio, for about 200,000 units, with an estimated incoming financial resources of about EUR 8-10 million. It should be remembered that as at December 31, 2023 there were about 700,000 IP addresses in the portfolio, of which about 500,000 at present, without technological adjustments, necessary for the ordinary management of the business.

In addition to the above, the Directors also believe that they can raise additional financial resources, not currently reflected in the above cash plan, through the following activities:

1. the possibility of valorising certain assets held by the Group that are not strictly functional to the implementation of the 2024-2027 Updated Business Plan. In this regard, it should be noted that the process of valorising a Datacenter is underway, for which the agreements underlying the possible sale were being defined at the date of this report;
2. the possibility of renegotiating the terms of the current Senior Loan, through its refinancing with a possible increase in the total value of the debt and a rescheduling in line with the financial forecasts included in the 2024-2027 Updated Business Plan;
3. the possibility of accessing the GID Fund pursuant to Article No. 37 of Legislative Decree No. 41/2021 in order to obtain a loan of EUR 30 million, in relation to which the dispute with the body responsible for assessing the application submitted by Tiscali and which had ruled the exclusion of the same from the benefit is currently being settled before the Council of State. The above-mentioned dispute is in the final stage of the hearing before the Council of State, the final hearing of which is scheduled to take place in October 2024.

## Uncertainties on actions identified to support the execution of the 2024-2027 Updated Business Plan

With respect to the actions identified, the Directors highlight the following uncertainties:

1. the 2024-2027 Updated Business Plan presents an estimate of the economic and financial results that could occur if management succeeds in implementing all of the actions included therein and if the results of those actions turn out as assumed. However, the possibility of implementing all the actions included in the plan, and, in particular, the outcome of those actions, is not fully under the control of the Directors and, therefore, the results included in the plan may not be representative of the Group's future results;
2. due to a market which is not fully liquid and with falling prices, the financial resources arising from the possible sale of a portion of IP addresses, estimated at approximately 200,000 IP addresses, may be less than those expected by the Directors;
3. although the Directors are confident that the new structure of the N&G POC, as amended on May 7, 2024, makes the instrument usable without substantial limitations for an amount of approximately EUR 2 million per month, the Directors point out that a particularly adverse market trend could in any case limit the possibility of full use of the instrument.

With regard to the additional financial resources, not reflected in the cash plan to date, the directors identified the following critical issues:

1. the possibility of enhancing the value of certain assets held by the Group and not strictly functional to the implementation of the 2024-2027 Updated Business Plan, despite the presence of certain expressions of interest received and non-binding offers currently being evaluated, depends in part on exogenous factors that are not under the full control of the Directors;
2. the possibility of renegotiating the terms of the current Senior Loan, through the refinancing of the same with a possible increase in the total value of the debt and a rescheduling in line with the financial forecasts included in the 2024-2027 Updated Business Plan, appears uncertain at the moment, given the preliminary status of the negotiations between the advisor identified by the Company and the possible counterparties identified;
3. the possibility of access to the GID fund appears to be subject, firstly, to the positive outcome of the litigation pending before the Council of State and, secondly, to the reaching of an agreement with the disbursing entity.

## Conclusions on going concern

In the circumstances illustrated, the directors believe i) after analysing the results for the period and

examining possible uncertainties, ii) assuming compliance with the Business Plan, iii) considering that it is highly probable that at least some of the actions indicated above will be completed in a timeframe compatible with financial requirements and iv) considering the agreements reached with the shareholder Shellnet S.p.A. described in the previous paragraphs, that the Group will be able to honour its obligations maintaining a level of past due amounts substantially in line with the current one.

It is on this basis, therefore, that the Directors have a reasonable expectation that the Group will be able to continue as a going concern over the next 12 months and that the Group will be able to use the accounting principles of a going concern.

This determination is, of course, the result of a subjective judgement, which has compared, with respect to some of the events indicated above, the degree of probability of their occurrence with respect to the opposite situation.

It must be emphasised that the prognostic judgement underlying the Board of Directors' determination is liable to be contradicted by the evolution of the facts. Precisely because it is aware of the intrinsic limits of its own determination, the Board of Directors will maintain constant monitoring of the evolution of the factors taken into consideration (as well as any further circumstance that may acquire significance), so as to be able to promptly take the necessary measures.

### **5.7 Business Outlook**

Please refer to paragraph 4.7.

### **5.8 Events after financial year-end**

Please refer to paragraph 4.5.

### **5.9 Accounting Standards**

These consolidated financial statements (hereinafter also referred to as the “Financial Statements”) are prepared using EUR as the accounting currency as this is the currency in which most of the Group's operations are conducted; all values are rounded to the nearest thousand EUR unless otherwise indicated. Foreign operations are included in the consolidated financial statements according to the principles indicated in the notes below.

In preparing these Financial Statements, the Directors have assumed the existence of the going concern assumption, as more fully explained in Paragraph 5.6, and have therefore prepared the Financial Statements using the principles and criteria applicable to going concerns.

The Consolidated Half-Year Financial Report 2024 has been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. The term IFRS also includes all revised International Accounting Standards (“IAS”) and all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as the Standing Interpretations Committee (“SIC”).

The preparation of the 2024 Consolidated Half-Year Financial Report requires the Directors to make certain estimates and, in certain cases, assumptions in the application of accounting standards. The areas of the financial statements that, in the circumstances, require the adoption of application assumptions and those most affected by the use of estimates are described in the note ‘Use of estimates’ below.

The Consolidated Half-Year Financial Report 2024 is subject to a limited audit by Deloitte & Touche S.p.A..

The financial statement formats and preparation criteria adopted in this Consolidated Half-Year Financial Report 2024 are in line with the formats and criteria reported in the Annual Consolidated Financial Report 2023, to which reference should be made.

### Consolidation Area

The Group’s consolidation area includes the financial statements of Tessellis S.p.A. (the Parent Company) and the companies over which it directly or indirectly exercises control, starting from the date on which control was acquired and up to the date on which such control ceases. The companies consolidated on a line-by-line basis are listed below and in the note “List of subsidiary companies included in the consolidation area”.

The scope of consolidation as at June 30, 2024 is as follows:

Denominazione	Sede	Partecipazione posseduta da	Valori al 30 giugno 2024 (€/000)			Percentuale di partecipazione diretta	Percentuale di partecipazione Gruppo (*)
			Capitale Sociale	Patrimonio Netto	Risultato Netto		
Tessellis S.p.A.	Italia	Capogruppo	205.014	124.692	(1.586)	n.a.	n.a.
Tiscali Italia S.p.A.	Italia	Tessellis S.p.A.	36.994	29.801	(21.394)	100%	100%
Linkem Services S.r.l.	Italia	Tiscali Italia S.p.A.	70	242	(4)	85,00%	85,00%
Veesible S.r.l.	Italia	Tiscali Italia S.p.A.	200	207	(7)	75,00%	75,00%
3PItalia S.p.A.	Italia	Tiscali Italia S.p.A.	2.000	2.576	133	54,70%	54,70%
Aetherna S.r.l.	Italia	Tiscali Italia S.p.A.	30	(90)	(270)	74,00%	74,00%
Bid Go S.r.l.	Italia	Tiscali Italia S.p.A.	10	10		100%	100%
Go Internet S.p.a.	Italia	Bid Go S.r.l.	7.394	4.930	(263)	77,04%	77,04%
X Stream S.r.l.	Italia	Go Internet S.p.a.	100	88	57	100%	77,04%
Tint Holding Nv	Olanda	Tessellis S.p.A.	115.519			99,50%	99,50%
Tiscali International Bv	Olanda	Tint Holding Nv	115.469	(3.940)	(108)	100%	99,50%
Tiscali Financial Services SA	Lussemburgo	Tiscali International BV	31	(444.016)	(2.353)	100%	99,5%

The following changes with respect to the scope of consolidation as at December 31, 2023 are noted:

- (i) Media PA exited the scope of consolidation as it was liquidated on 12 January 2024;
- (ii) the Go Internet Group (consisting of the companies Bid Go S.r.l., Go Internet S.p.a. and XStream S.r.l.), whose control was acquired on June 1, 2024, entered the scope of consolidation. Please refer to section “4.4 Main activities carried out and results achieved during the first half of 2024” for further details regarding the Acquisition Transaction.

#### Equity-accounted investments

The company applies the equity method for the valuation of investments in associated companies.

As at June 30, 2024, the following companies were consolidated using the equity method:

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

#### **ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED FROM JANUARY 1, 2024**

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as of January 1, 2024:

- On January 23, 2020, the IASB published 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 published an amendment entitled ‘**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**’. The purpose of these amendments is to clarify how to classify payables and other short-term or long-term liabilities. In addition, the amendments also improve 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 certain parameters (i.e., covenants). The adoption of these amendments had no impact on the Group's consolidated financial statements.
- On September 22, 2022, the IASB published an amendment entitled ‘**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**’. The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise income or loss that relates to the retained right of use. The adoption of these amendments had no impact on the Group's consolidated financial statements.
- On May 25, 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 that enable users of financial statements to evaluate how supplier finance



arrangements may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The adoption of these amendments had no impact on the Group's consolidated financial statements.

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

As of the date of this document, the competent bodies of the European Union have not yet concluded the approval process necessary for the adoption of the amendments and principles described below.

- On May 30, 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 a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (i.e. 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;
  - determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is settled. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specified conditions.

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

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

- On May 9, 2024, the IASB published a new standard '**IFRS 19 Subsidiaries without Public Accountability: Disclosures**'. The new standard introduces some simplifications with regard to the disclosures required by other IAS-IFRS standards. This standard can be applied by an entity that meets the following main criteria:
  - It is a subsidiary.
  - It has not issued equity or debt instruments listed on a market and is not in the process of issuing them.
  - It has its own parent company that prepares consolidated financial statements in accordance with IFRS.

The new standard will come into effect on January 1, 2027, but earlier application is permitted. The directors do not expect a material effect in the Group's consolidated financial statements from the adoption of this amendment.

- On April 9, 2024, the IASB published a new standard '**IFRS 18 Presentation and Disclosure in Financial Statements**' that will replace '**IAS 1 Presentation of Financial Statements**'. The new standard aims to improve the presentation of key financial statement formats and introduces important changes with reference to the income statement format. In particular, the new standard requires:
  - To classify revenues and expenses into three new items (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement.
  - To present two new sub-totals, the operating result and earnings before interest and taxes (i.e., EBIT).

The new standard also

- requires more information on performance indicators defined by management;
- introduces new criteria for the aggregation and disaggregation of information; and
- introduces certain changes to the format of the cash flow statement, including the requirement to use EBIT as the starting point for the presentation of the cash flow statement prepared using the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will come into effect on January 1, 2027, but earlier application is permitted. The directors are currently assessing the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

- On August 15, 2023, the IASB published an amendment entitled '**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 for determining whether one currency can be translated into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from January 1, 2025, but earlier application is permitted. The Directors do not expect a material effect on the Group's consolidated financial statements from the adoption of this amendment.

## USE OF ESTIMATES

The preparation of the consolidated financial statements and notes involved the use of estimates and assumptions to determine certain assets and liabilities and to measure contingent liabilities. Due to the use of estimates and assumptions, the results that will result from the occurrence of expected and/or foreseeable events may differ from those assumed. The estimates and assumptions used are therefore reviewed on an ongoing basis and the effects of any changes are recognised in the financial statements. The use of estimates is particularly relevant to the following issues:

1. estimates related to balance sheet items recognised in accordance with IFRS 16;
2. estimates related to the assumptions underlying the valuations included in the impairment test, for which reference should be made to Note 12 “Impairment test”;
3. estimates related to the provisions for risks and charges and, in particular, to the provisions for risks related to certain tax credits recognised in the past;
4. estimates related to revenue recognition based on IFRS 15. For the Tessellis Group, the estimation process relates to the verification of the presence of various performance obligations in some complex contracts;
5. estimates related to the allocation of the purchase price of the assets acquired during the Transaction (“PPA”).

### 5.10 Explanatory Notes

#### Revenues (Note 1)

	1 <sup>st</sup> semester 2024	1 <sup>st</sup> semester 2023
<b>Revenues</b> (EUR 000)		
Revenues	109,012	117,737
<b>Total</b>	<b>109,012</b>	<b>117,737</b>

Revenues for the first half of 2024 amounted to EUR 109 million. For a review of the business performance in 2024, please refer to the management report.

There were no ordinary transactions in the period with a counterparty that alone accounts for more than 10% of the Group’s revenue.

It should be noted that revenues are entirely related to services performed within the Italian territory.

**Other Income (Note 2)**

<b>Other Income</b> <i>(000 EUR)</i>	<b>1<sup>st</sup> semester 2024</b>	<b>1<sup>st</sup> semester 2023</b>
Other Income	1,195	1,301
<b>Total</b>	<b>1,195</b>	<b>1,301</b>

Other income, amounting to a positive EUR 1.2 million, included the following elements:

- income from tax credits totalling EUR 0.6 million;
- other income from write-offs of accounts payable to suppliers totalling EUR 0.6 million.

**Purchases of materials and external services and other operating (income) expenses (Note 3)**

<b>Purchases of materials and external services and other operating (income) expenses</b> <i>(EUR 000)</i>	<b>1<sup>st</sup> semester 2024</b>	<b>1<sup>st</sup> semester 2023</b>
Line rental/traffic and interconnection costs	64,358	65,410
Lease and rental costs	3,081	3,619
Costs for portal services	361	884
Costs for portal services	1,104	1,510
Other services	8,530	6,599
Other operating expenses (income)	25	100
<b>Total</b>	<b>77,459</b>	<b>78,122</b>

Purchases of materials and services and other operating (income) expenses of EUR 77.5 million, a decrease of EUR 0.6 million compared to the first half of 2023, include the following items:

- EUR 64.4 million for line/traffic and interconnection rental costs related to Fixed Broadband and Ultrabroadband, Fixed wireless, and Mobile services;
- EUR 3 million in costs for the use of third-party assets related to the cost of leases and rentals of capital goods that do not fall under the cases governed by IFRS 16;
- EUR 8.6 million for other services related to the cost of maintaining and operating industrial sites, administrative offices, rents, consulting and professional fees, billing costs, postage, travel expenses, and other overhead costs;
- EUR 1.1 million for marketing costs;
- EUR 0.4 million for portal services;
- EUR 25,000 of other charges.

**Personnel costs (Note 4)**

Personnel costs (Note 4)	1 <sup>st</sup> semester 2024	1 <sup>st</sup> semester 2023
<i>(EUR 000)</i>		
Wages and salaries	10,582	12,411
Other personnel costs	5,647	7,017
<b>Total</b>	<b>16,229</b>	<b>19,428</b>

At EUR 16.2 million, personnel costs for the period amounted to 14.9% of revenues, compared to 16.5% for the comparison period.

The following table shows the average FTE for the comparison periods:

**Average number of employees (FTE)**

	30 June 2024	31 December 2023
Executives	28	26
Managers	57	51
Employees	875	813
Workers	10	14
<b>Total</b>	<b>970</b>	<b>904</b>

The number of average FTEs as at June 30, 2024 is 970. This figure includes 872 average FTEs related to Tiscali Italia S.p.A., 7 related to 3P Italia, 6 for Vevisible, 14 for Aetherna and 71 for the Go Internet S.p.A. group.

**Write-down of trade receivables (Note 5)**

Write-down of trade receivables	1 <sup>st</sup> semester 2024	1 <sup>st</sup> semester 2023
<i>(EUR 000)</i>		
Allocation to bad debt provision	1,759	2,869
<b>Total</b>	<b>1,759</b>	<b>2,869</b>

Provisions for bad debts amounted to EUR 1.7 million and represented 1.6% of revenues, compared to 2.4% in 2023.

**Restructuring costs and other provisions (Note 6)**

	1 <sup>st</sup> semester 2024	1 <sup>st</sup> semester 2023
<b>Restructuring costs and other provisions</b> (EUR 000)		
Restructuring costs and other provisions	279	105
<b>Total</b>	<b>279</b>	<b>105</b>

The item Restructuring costs and other provisions as at June 30, 2024 includes the following items:

- network infrastructure restructuring charges of EUR 80,000;
- inventory write-down of EUR 154 thousand;
- release of EUR 63 thousand from the provision for employee disputes due to an overprovision compared to the amount settled;
- allocation to the CPE write-down provision of EUR 72 thousand. This provision was necessary due to the recognised lower value of certain assets;
- write-down of intangible fixed assets for EUR 35,000.

**Depreciation (Note 7)**

	1 <sup>st</sup> semester 2024	1 <sup>st</sup> semester 2023
<b>Depreciation</b> (EUR 000)		
Depreciation	35,491	41,907
<b>Total</b>	<b>35,491</b>	<b>41,907</b>

Depreciation and amortisation amounted to EUR 35.5 million. For more details on the depreciation of non-current assets, see Notes 14-15-16-17.

**Financial Income and Financial Expenses (Note 8)**

The breakdown of the items Financial Income and Financial Expense for the first half of 2024, which totalled a negative EUR 4.6 million, is detailed below.

	1 <sup>st</sup> semester 2024	1 <sup>st</sup> semester 2023
<b>Net financial income (expenses)</b> (EUR 000)		

## First-Half Consolidated Financial Report as at 30 June 2024



<b>Financial income</b>		
Interest on bank deposits	5	21
Other financial income	1	59
<b>Total</b>	<b>6</b>	<b>80</b>
<b>Financial charges</b>		
Interest and other bank charges	1,738	1,965
Other financial expenses	2,873	1,292
<b>Total</b>	<b>4,611</b>	<b>3,257</b>
<b>Net financial income (expenses)</b>	<b>(4,605)</b>	<b>(3,177)</b>

The item Financial Charges, amounting to EUR 4.6 million, includes the following:

- financial expenses related to interest accrued on the loan to Senior Lenders (including the former CR Umbria loan) amounting to EUR 1.6 million;
- interest expenses on financial and operating leases for approximately EUR 0.3 million;
- allocation of the amount to be paid to Nice & Green for the amendment fee on the POC 2023 for EUR 1.5 million;
- bank expenses of EUR 0.6 million referring mainly to commissions on short-term credit lines, particularly SDD (Sepa Direct Debit) advance lines;
- interest expenses on bank accounts of EUR 0.2 million;
- default interest expense of EUR 0.2 million related to trade payables, determined on standard market terms;
- other interest expense of EUR 0.2 million.

### Income Taxes (Note 9)

Income Taxes (EUR 000)	1 <sup>st</sup> semester 2024	1 <sup>st</sup> semester 2023
Current taxes	13	-
<b>Total</b>	<b>13</b>	<b>-</b>

Current taxes refer to IRAP and IRES for the year.

### Minority Interest and Earnings (Loss) per Share (Note 10)

Third parties' result, negative and equal to EUR 72,000, was determined in relation to the line-by-line consolidation of the participations Linkem Services S.r.l., 3P Italia S.p.A., Vevisible S.r.l., Aetherna and Gruppo Go Internet, whose percentage of ownership is equal to 85%, 54.7%, 75%, 74% and 77%

respectively.

Earnings per share from “continuing operations” is negative and equal to EUR 0.111 and was calculated by dividing the loss from continuing operations for the first half of 2024 attributable to the Group's ordinary shareholders, amounting to EUR 26.1 million, by the weighted average number of ordinary shares outstanding during the year, which amounted to 234,067,207.

### Impairment Test (Note 11)

In the absence of impairment indicators, the Directors did not conduct an impairment test as at June 30, 2024.

### Goodwill (Note 12)

Goodwill (EUR 000)	Total
<b>Net book value as at 1 January 2023</b>	<b>48,292</b>
Increases	<b>4,716</b>
<b>Balance as at 30 June 2024</b>	<b>53,008</b>

Goodwill amounted to EUR 53 million and is broken down as follows:

- EUR 42.8 million deriving from the Merger Transaction between Tessellis and the Linkem Retail Unit of Linkem service occurred on August 1, 2022;
- EUR 4.8 million related to the acquisition of control of 3P Italia S.p.A.;
- EUR 0.7 million related to the acquisition of control of Aetherna;
- EUR 4.7 million related to the acquisition of control of the Go Internet S.p.A. Group, which took place on June 1, 2024. For further details on the acquisition transaction, please refer to section 4.4 “Main activities carried out and results achieved during the first half of 2024”.

### Introduction

In the following tables relating to *Tangible Assets*, the amounts shown under “Change in the scope of consolidation” relate to increases attributable to the consolidation of the Go Internet Group as of June 1, 2024.



## Intangible Assets (Note 13)

Intangible assets (Eur 000)	In-house production software development costs	Concessions and similar rights	Broadband service activation costs	Other intangible assets	Intangible assets under developm ent and advances	Total
<b>Net book value as at 1 January 2024</b>	<b>459</b>	<b>66,875</b>	<b>20,957</b>	<b>19,279</b>	<b>63</b>	<b>107,632</b>
Increases	80	4,035	4,373	1,497	-	<b>9,985</b>
Disposal	-	-	-	-	-	-
Increases in amortization	(117)	(5,065)	(7,764)	(2,979)	-	<b>(15,925)</b>
Reclassifications	-	-	-	-	-	-
Changes in consolidation area	1,046	355	-	575	-	<b>1,976</b>
Other changes	(1)	(12)	-	(60)	-	<b>(73)</b>
<b>Balance as at 30 June 2024</b>	<b>1,466</b>	<b>66,189</b>	<b>17,566</b>	<b>18,311</b>	<b>63</b>	<b>103,595</b>

The item “*Software development costs of internal production*”, amounting to EUR 1.5 million, includes the development costs of customised application software for the exclusive use of the Group (net of the relative amortisation provision). This item includes EUR 1 million attributable to the change in the consolidation scope.

The balance of “*Trade Marks, Concessions and Similar Rights*”, amounting to EUR 66.2 million, mainly includes:

- EUR 39.1 million related to the “Tiscali” brand;
- EUR 16.2 million for licences and software, including software relating to the remote activation and management of equipment installed at customer premises, licences relating to the use of the VOIP platform and customer management software (billing, customer care);
- EUR 10.3 million in rights and multi-year charges related to the purchase of transmission capacity on a multi-year basis, in the form of Indefeasible Right of Use (IRU) concession contracts; these IRUs are accounted for by the subsidiary Tiscali Italia S.p.A., for which the main suppliers are Telecom Italia, Interoute, Fastweb and Infracom;
- EUR 0.6 million for patent and industrial property rights.

Investments in the first half of 2024 amounted to EUR 4 million and mainly related to the development of IT platforms within the “One Company” project.

Finally, this item includes EUR 0.3 million attributable to the change in the scope of consolidation.

The item ‘*Broadband service activation costs*’ amounted to EUR 17.6 million and included the costs incurred for the activation of new lines at residential and business customers. The increase in the first half of 2024 is EUR 4.4 million.

‘*Other intangible assets*’ amounted to EUR 18.3 million and included EUR 11.1 million of IP addresses functional to the Group's core business and the costs of installation, configuration and expansion of exchanges for EUR 7.2 million. The increase in the period, amounting to EUR 1.5 million, is related to the investments incurred to upgrade the backbone network.

Finally, this item includes EUR 0.6 million attributable to the change in the scope of consolidation.

#### Leased contracts rights of use (Note 14)

Leased contracts rights of use (EUR 000)	Network equipment rights of use	Property rights of use	Total
<b>Net book value as at 1 January 2024</b>	<b>1,334</b>	<b>8,825</b>	<b>10,159</b>
Increases	-	259	<b>259</b>
Disposal	-	-	-
Increases in amortization	(485)	(1,584)	<b>(2,069)</b>
Changes in consolidation area	170	252	<b>422</b>
<b>Balance as at 30 June 2024</b>	<b>1,019</b>	<b>7,751</b>	<b>8,770</b>

#### Introduction

The item ‘*Rights to use network equipment*’, which includes operating leases with right of redemption, capitalised as of January 1, 2019, amounts to EUR 1 million. This item includes EUR 0.2 million attributable to the change in the scope of consolidation.

The item ‘*Rights to use Property*’, amounting to EUR 7.7 million, includes the recognition of the right to use arising from the lease agreement of the Sa Illetta headquarters, those of the offices of the secondary offices, as well as other leases of certain POPs. This item includes EUR 0.3 million attributable to the change in the scope of consolidation.

**Customer acquisition costs (Note 15)**

Customer Acquisition Costs	Total
<i>(Eur 000)</i>	
<b>Net book value as at 1 January 2024</b>	<b>18,354</b>
Increases	4,579
Disposal	-
Increases in amortization	(6,562)
Reclassifications	-
Other changes	-
<b>Balance as at 30 June 2024</b>	<b>16,372</b>

This item includes costs related to fees paid to commercial intermediaries for customer acquisitions and amounts to EUR 16.4 million. The increases for the period amounted to EUR 4.6 million and related to the acquisition of new customers for both the fixed and FWA ultrabroadband service and the mobile service.

**Property, Plant and Machinery (Note 16)**

Tangible assets	Property	Plant & machinery	Other tangible assets	Tangible assets under construction	Total
<i>(EUR 000)</i>					
<b><u>HISTORICAL COST</u></b>					
<b>1 January 2023</b>		<b>72,024</b>	<b>1,476</b>	<b>7,055</b>	<b>80,555</b>
Increases		2,469	34	15	<b>2,519</b>
Divestments		(1,414)	-	-	<b>(1,414)</b>
Reclassifications		1,385	-	(1,385)	-
Depreciation for the period		-	-	-	-
Changes in consolidation area		8,644	10,247	419	<b>19,309</b>
Other changes		-	-	-	-
<b>Balance as at 30 June 2024</b>		<b>83,109</b>	<b>11,757</b>	<b>6,103</b>	<b>100,969</b>

**ACCUMULATED DEPRECIATION**

## First-Half Consolidated Financial Report as at 30 June 2024



<b>1 January 2023</b>	<b>24,876</b>	<b>301</b>	<b>-</b>	<b>25,177</b>
Depreciation for the period	10,804	131	-	<b>10,935</b>
Divestments	(1,414)	-	-	<b>(1,414)</b>
Reclassifications	-	-	-	-
Devaluations	72	-	-	<b>72</b>
Changes in consolidation area	5,887	9,022	-	<b>14,909</b>
Other changes	-	-	-	-
<b>Balance as at 30 June 2024</b>	<b>40,226</b>	<b>9,455</b>		<b>49,680</b>

**NET BOOK VALUE**

<b>1 January 2023</b>	<b>47,148</b>	<b>1,175</b>	<b>7,055</b>	<b>55,378</b>
<b>Balance as at 30 June 2024</b>	<b>42,883</b>	<b>2,302</b>	<b>6,103</b>	<b>51,289</b>

'Plant and machinery' of EUR 42.9 million includes specific network equipment such as routers, DSLAMs, servers, and transmission equipment installed at ULL sites.

Increases for the period include capital expenditures of EUR 2.5 million, and mainly relate to the purchase of modems that are installed in the end customer's home, while net disposals for the period amounted to EUR 1.4 million and mainly concern the disposal of obsolete or broken modems.

There are also reclassifications for a historical value of EUR 1.4 million from the item '*Tangible assets in progress*' for assets that began their depreciation cycle in the period.

This item includes EUR 2.7 million net attributable to the change in the scope of consolidation.

'*Other tangible assets*', the balance of which amounts to EUR 2.3 million, include furniture and fittings, electronic and electromechanical office machines.

This item includes EUR 1.2 million net attributable to the change in the scope of consolidation.

The item '*Tangible assets in progress and payments on account*', the balance of which amounts to EUR 6.1 million, mainly includes investments not yet completed in network infrastructure.

This item includes reclassifications of negative EUR 1.4 million attributable to assets transferred from the category '*Tangible assets in progress*' to the category '*Plant and Machinery*' for assets that began their depreciation cycle in the period.

This item includes EUR 0.4 million attributable to the change in the scope of consolidation.

### Investments accounted for using the equity method (Note 17)

This item includes the value of the following investee companies:

- Janna S.c.p.a. for EUR 3.7 million, a consortium company over which the Group has significant influence by virtue of certain agreements between the shareholders, and whose purpose is the management of an undersea fibre optic cable laid between Sardinia and the peninsula and between Sardinia and Sicily. The share held is 17%.
- Connecting Project S.r.l. for EUR 1.5 million, an Italian company specialising in offering integrated, high value-added solutions dedicated to telecommunications retail operators. The stake held is 40%.
- Salesmart S.r.l. for EUR 0.1 million, a company that develops advanced solutions for Digital Marketing. The stake held is 40%.

### Other non-current financial assets (Note 18)

Other non-current financial assets (EUR 000)	June 30, 2024	December 31, 2023
Security Deposits	798	785
Securities	969	955
Other financial activities	170	171
<b>Total</b>	<b>1,937</b>	<b>1,911</b>

Security deposits, EUR 0.8 million, consist of deposits paid in the context of the performance of activities on contracts with a duration of several years.

Securities and participations include the following participations valued at cost: Radoff, 2Hire, Wiseair, Invisible cities, Oversonic Robotics, Epico Play and other minor ones.

Other financial assets, amounting to EUR 0.2 million, relate to financial receivables from the subsidiary Salesmart S.r.l..

### Deferred Tax Assets (Note 19)

Deferred tax assets (EUR 000)	June 30, 2024	December 31, 2023
Deferred tax assets	16,104	16,558
<b>Total</b>	<b>16,104</b>	<b>16,558</b>

Deferred tax assets are broken down as follows:

- EUR 15.8 million emerged as part of the PPA process related to the Merger Transaction with

the Linkem Retail Unit that took place on August 1, 2022. The recovery of these assets will take place progressively over the next few years in line with the elimination of the corresponding deferred tax liabilities, of the same amount. The reduction in the period, compared to the balance of EUR 16.6 million at December 31, 2023, is attributable to the partial write-down of deferred tax assets carried out in correspondence with the absorption of deferred tax liabilities;

- EUR 350,000 of deferred tax assets of the subsidiary X Stream, consolidated as at June 1, 2024.

### Inventories (Note 20)

<b>Inventories</b> (EUR 000)	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Inventories	8,477	8,297
<b>Total</b>	<b>8,477</b>	<b>8,297</b>

Inventories amounted to EUR 8.5 million and mainly included:

- EUR 6.2 million of IPv4 addresses, corresponding to about 175 thousand IP addresses available for sale valued at a unit value of EUR 35 each, in line with the current market value
- EUR 1.8 million of contract work in progress related to the subsidiary 3P Italia, which includes the progress at year-end of the work in progress with the public administrations entrusted with the concessions managed by 3P Italia;
- EUR 0.4 million for inventories of final products and consumables related to the subsidiaries Linkem Services, Aetherna and XStream;
- EUR 70 thousand related to the net valuation of tablets in inventory.

### Trade Receivables (Note 21)

<b>Trade Receivables</b> (EUR 000)	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Trade Receivables	31,926	27,114
Provision for depreciation	(12,210)	(12,044)
<b>Total</b>	<b>19,716</b>	<b>15,070</b>

Receivables from customers, as at June 30, 2024, amounted to EUR 19.7 million net of write-downs for a total of EUR 12.2 million, and refer both to consumer customers, whose average receivables in unit value are by nature significantly fragmented, and to receivables from business customers and public administration.

The net increase in the period is mainly attributable to the change in the scope of consolidation: the Go Internet Group's receivables totalled EUR 2.4 million, net of the allowance for doubtful accounts.

The analysis of the recoverability of receivables is carried out periodically, adopting a specific policy for the determination of the allowance for doubtful accounts with reference to experience and historical trends. The Group does not have a particular concentration of credit risk, as its credit exposure is spread over a very large customer base. In particular, it should be noted that the estimate of the collectability risk of receivables is already made when the receivables are recognised, taking into account the generic risk of receivables not past due at the reference date, which can be inferred from historical experience.

The following table shows changes in the allowance for doubtful accounts:

<b>Movements in provisions for bad debts</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<i>(EUR 000)</i>		
<b>Provision for depreciation at the beginning of the period</b>	<b>(12,044)</b>	<b>(9,983)</b>
Provision	(1,759)	(5,587)
Uses	1,593	3,526
<b>Provision for depreciation at the end of the period</b>	<b>(12,210)</b>	<b>(12,044)</b>

The total provision for the period amounted to EUR 1.8 million.

The item utilisations includes the write-off of credit positions that are no longer recoverable.

#### **Tax Credits (Note 22)**

<b>Tax Credits</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<i>(EUR 000)</i>		
Tax Credits	394	123
<b>Total</b>	<b>394</b>	<b>123</b>

This item mainly includes receivables for IRAP.

#### **Other current receivables and sundry assets (Note 23)**

<b>Other current receivables and sundry assets</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<i>(EUR 000)</i>		
Other receivables	3,522	2,108
Accrued income	77	71
Prepaid expenses	9,358	6,078
<b>Total</b>	<b>12,957</b>	<b>8,257</b>

The item Other receivables includes the following:

- receivables from Infratel and Fastweb for voucher contributions of EUR 1.6 million;
- receivables from the tax authorities for VAT amounting to EUR 0.6 million;
- receivables for deferred tax assets of EUR 0.6 million;
- tax credits allocated on investments in relation to Bonus Sud and Industria 4.0 regulations for EUR 0.3 million;
- other receivables for minor activities for EUR 0.2 million;
- the reduction in other receivables of EUR 1.4 million in the period was mainly due to the reduction in the VAT credit.

The item Prepaid expenses, the balance of which is EUR 9.4 million, includes costs already incurred and accrued in subsequent years, mainly related to multi-year line rental contracts, hardware and software maintenance, insurance and advertising costs.

#### Cash and cash equivalents (Note 24)

Cash and cash equivalents as at June 30, 2024 amounted to EUR 9.7 million and included the Tessellis Group's liquidity, held mainly in bank accounts.

There are no restricted deposits or liquidity that cannot be readily utilised.

#### Shareholders' equity (Note 25)

<b>Shareholders' Equity</b> (EUR 000)	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Share Capital	205,014	208,993
Legal Reserve	2,003	2,011
Employee benefits reserve	43	43
Accumulated losses and other reserves	(184,205)	(124,272)
Result for the period	(26,007)	(62,373)
<b>Equity attributable to the Group</b>	<b>(3,152)</b>	<b>24,402</b>
<b>Equity attributable to minority interests</b>	<b>2,363</b>	<b>959</b>
<b>Total Shareholders' Equity</b>	<b>(789)</b>	<b>25,361</b>

The changes in shareholders' equity items are shown in the relevant statement.



During the first half of 2024, consolidated Shareholders' Equity decreased by a total of EUR 26.2 million.

This delta is attributable to the following factors:

- negative net result for the half-year of EUR 26.1 million;
- positive EUR 23.4 thousand due to an increase in capital of the minority shareholder of the subsidiary Aetherna;
- negative EUR 94 thousand related to the updated valuation of the put option in Aetherna and 3P Italia.

In addition, it should be noted that during the first half of the year, the voluntary reduction of share capital resolved by the Ordinary and Extraordinary Shareholders' Meeting of Tessellis held on June 17, 2024 was carried out. The share capital was reduced by EUR 3,978,000 to cover losses for the year and losses referring to previous years. The voluntary reduction of the share capital took place, pursuant to Article No. 2445 of the Italian Civil Code, without cancelling the outstanding shares, as they had no express par value.

The Group's share of the loss for the half-year was EUR 26 million.

### Equity attributable to minority interests (Note 26)

Equity attributable to minority interests as at June 30, 2024 was EUR 2.4 million.

### Current and non-current financial liabilities (Note 27)

#### Current financial liabilities

<b>Current financial liabilities</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<i>(EUR 000)</i>		
Payables to banks and other lenders	27,357	20,241
Lease payables	3,473	4,144
<b>Total</b>	<b>30,830</b>	<b>24,384</b>

#### Due to banks and other lenders – current portion

The item "Payables to Banks", amounting to approximately EUR 27.3 million, comprises the following items:

- The short-term Senior Loan component for EUR 12.7 million;
- The short-term component of the Banca Intesa Sanpaolo (former Cassa di Risparmio dell'Umbria) loan for EUR 0.3 million;
- The short-term component of Go Internet and X Stream long-term bank loans, consolidated as

at June 1, 2024 for EUR 2.8 million, as well as other short-term financial payables for EUR 0.4 million;

- Payables to banks of EUR 6.6 million;
- Other financial payables to Shellnet S.p.A., amounting to EUR 4.5 million.

#### Lease payables – current portion

This item amounts to EUR 3.5 million and includes the following elements:

- Current portion of payables for operating leases for EUR 1.4 million for network equipment
- The current portion of the payable arising from the IFRS 16 accounting of the lease agreement for the Sa Illetta office for EUR 2.1 million.

#### **Non-current financial liabilities**

<b>Non-current financial liabilities</b> (EUR 000)	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Payables to banks and other lenders	56,967	61,003
Lease payables	6,987	8,292
<b>Total</b>	<b>63,954</b>	<b>69,295</b>

#### Payables to banks and other lenders

This item includes the following:

- The long-term portion of the Senior Lenders loan for EUR 44.6 million
- The long-term portion of the Banca Intesa Sanpaolo (former Cassa di Risparmio dell'Umbria) loan for EUR 2.9 million;
- Other financial payables to Shellnet S.p.A. for EUR 2.7 million;
- EUR 3.9 million arising from the recognition of the financial debt related to the put option on the minority shares of 3P Italia S.p.A and Aetherna;
- EUR 1.9 million for loans taken out by the Go Internet Group;
- EUR 0.4 million in other financial payables of the Go Internet Group;
- Other bank payables of EUR 0.6 million relating to 3P Italia S.p.A. and Aetherna.

#### Lease payables – long-term portion

This item includes the long-term portion of payables for operating leases in the amount of EUR 7 million. In particular, this amount includes the long-term portion representing the debt recognised pursuant to IFRS 16 on the lease of the Sa Illetta premises for EUR 5.4 million and the long-term portion representing the debt on other leasing contracts on certain network equipment for EUR 1.6 million.

### Net Financial Indebtedness

The Group's net financial indebtedness is shown in the following table:

Financial Indebtedness	Notes	June 30, 2024	December 31, 2023
<i>(EUR 000)</i>			
A. Cash and cash equivalents		9,675	7,711
B. Cash equivalents		-	-
C. Other current financial assets		5	35
<b>D. Liquidity (A) + (B) + (C)</b>		<b>9,680</b>	<b>7,746</b>
<b>E. Current financial debt</b>	(1)	<b>15,031</b>	<b>10,089</b>
<b>F. Current part of non-current financial debt</b>		<b>15,798</b>	<b>14,296</b>
<b>G. Current financial debt (E + F)</b>		<b>30,830</b>	<b>24,385</b>
<b>H. Net current financial debt (G - D)</b>		<b>21,150</b>	<b>16,639</b>
I. Non-current financial debt	(2)	63,953	69,295
J. Debt instruments			
K. Trade and other non-current payables	(3)	14,037	15,438
<b>L. Non-current financial debt (I + J + K)</b>		<b>77,990</b>	<b>84,733</b>
<b>M. Total financial debt (H + L)</b>		<b>99,140</b>	<b>101,372</b>

The above table is prepared in accordance with Consob Attention Notice No. 5/21 of April 29, 2021.

It should also be noted that the amount of trade payables and payables to other parties overdue by more than 12 months is EUR 5 million. We also note that the severance indemnity payable to the company amounts to EUR 8.5 million.

The following table shows the reconciliation between the net financial indebtedness prepared according to CONSOB Communication and the net financial management indebtedness reported in the Report on Operations.

	June 30, 2024	December 31, 2023
<i>(EUR 000)</i>		
<b>Consolidated net financial debt</b>	<b>84.3</b>	<b>85.1</b>
Other cash and non-current financial receivables	0.8	0.8
Long-term component of trade and tax payables in instalments	14.0	15.4
<b>Consolidated net financial debt prepared in accordance with Consob Attention Notice No. 5/21 of 29 April 2021</b>	<b>99.1</b>	<b>101.4</b>

## First-Half Consolidated Financial Report as at 30 June 2024



The gross financial debt (current and non-current) identified below, EUR 108.8 million, is mainly composed of the items shown in the following table:

Composition of current and non-current debt (EUR 000)	June 30, 2024	Current share	Non-current share
Senior debt (including former CR Umbria)	60,430	12,983	47,447
Long-term bank debt_other	5,376	2,815	2,561
Bank payables	6,633	6,633	-
<b>Total senior debts and other bank debts</b>	<b>72,439</b>	<b>22,431</b>	<b>50,008</b>
Payables to leasing companies	10,460	3,473	6,987
Other financial liabilities (including put options)	11,884	4,925	6,959
Trade and other non-current payables	14,037	-	14,037
<b>Total payables to leasing companies and other payables</b>	<b>36,381</b>	<b>8,398</b>	<b>27,982</b>
<b>Total Indebtedness</b>	<b>108,820</b>	<b>30,830</b>	<b>77,990</b>

The main items in the above table are as follows:

- senior debt for EUR 57.2 million;
- loan agreement with Intesa Sanpaolo (former Cassa di Risparmio dell'Umbria) for EUR 3.2 million;
- long-term bank debt (including short-term component) of the Go Internet Group for EUR 4.6 million;
- long-term bank debt of 3P Italia and Aetherna of EUR 0.6 million;
- other financial debt of the Go Internet Group of EUR 0.8 million;
- short-term bank debt of EUR 6.6 million;
- operating lease payables of EUR 10.5 million. This amount includes the operating lease agreement for the Sa Illetta headquarters in the amount of EUR 7.5 million. The remaining amount of EUR 3 million includes property leases, company car leases and other operating leases related to sites and network equipment;
- other financial payables arising from the recognition of the financial payable related to the put option on the minority shares of 3P Italia and Aetherna for a total of EUR 3.9 million;
- other financial payables to Shellnet related to the purchase of devices (CPE) for the provision of the FWA service, amounting to EUR 7.2 million;
- the long-term component of trade payables and accrued tax payables in the amount of EUR 14 million.

## First-Half Consolidated Financial Report as at 30 June 2024



The table below shows the monetary and non-monetary changes in financial liabilities that occurred in the first half of 2024:

Monetary and non-monetary changes in financial liabilities	December 31, 2023	Cash flows (repayments/disbursements)	Accrued interest	Change in consolidation area_Go Internet	Payables for put on minorities_3P Italia and Aetherna	June 30, 2024
<i>(EUR 000)</i>						
Senior debt (incl. Ex CR Umbria)	66,537	(7,658)	1,551	-	-	60,430
Long-term bank payables_other	748	(100)	-	4,728	-	5,376
Bank Payables	3,092	2,152	-	1,389	-	6,633
Leases and other financial debts	19,518	(2,150)	276	819	-	18,463
Put Option 3P Italia & Aetherna	3,787	-	-	-	94	3,881
Trade and other non-current payables	15,438	(1,607)	206	-	-	14,037
<b>Gross financial debt</b>	<b>109,120</b>	<b>(9,363)</b>	<b>2,033</b>	<b>6,936</b>	<b>94</b>	<b>108,820</b>

#### Event of default on outstanding debt contracts

The contract governing the Senior Loan provides, as is customary in structured finance contracts, for certain 'events of default' upon the occurrence of certain events, including (i) breach of payment obligations; (ii) breach of commitments under the contract; (iii) breach of financial covenants; (iv) misrepresentation; (v) failure to execute or breach of documents relating to guarantees; (vi) significant cross-default events; (vii) significant 'warnings' or 'qualifications' by the Independent Auditors; (viii) insolvency, liquidation and dissolution of significant Group companies; (ix) the opening of bankruptcy proceedings; (x) implementation of significant forced procedures against the Group; (xi) loss of significant litigation; (xii) cessation of significant activities of Group companies; (xiii) occurrence of an event that has a negative effect on the Group's business.

The following table summarises the main elements of the loan outstanding as at June 30, 2024 (nominal values as at June 30, 2024):

Financing	Amount	Due date	Senior Lenders	Contractor	Guarantors
<i>EUR million</i>					
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

Financing	Amount	Due date	Senior Lenders	Contractor	Guarantors
<i>EUR million</i>					
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

**First-Half Consolidated Financial Report as at 30 June 2024**
**TESSELLIS**

As previously indicated, the loan includes, among the events of default, compliance with certain financial parameters: (i) Net Debt/EBITDA ratio; (ii) Debt service Cover Ratio; (iii) Investment Thresholds (CAPEX). In addition, the following covenants were defined in relation to non-financial data (number of registered/active users, ARPU Blended). There are also additional operational covenants. It should be noted that the loan agreement provides for the use of possible 'remedies', in the event of non-compliance with the net debt/EBITDA ratio, which, if activated, will forfeit the right to acceleration of repayment by the banks. The covenants were satisfied as at June 30, 2024 by resorting to such use. It should be noted that, as at June 30, 2024, there were no events of default.

**Leases**

The table below shows the present value of the minimum lease payments due:

(EUR 000)	Minimum payments due		Present value of minimum payments due	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Less than 1 year	3,992	4,755	3,473	4,144
Between 1 year and 5 years	7,415	8,879	6,749	7,993
Over 5 years	279	357	238	299
<b>Total</b>	<b>11,686</b>	<b>13,991</b>	<b>10,460</b>	<b>12,436</b>
Less future financial burdens	1,226	1,555	-	-
<b>Current value of minimum payments</b>	<b>10,460</b>	<b>12,436</b>	<b>10,460</b>	<b>12,436</b>
<b>Included in the Balance Sheet</b>				
Lease payables (short-term)	-	-	3,473	4,144
Lease payables (long-term)	-	-	6,987	8,292
	-	-	<b>10,460</b>	<b>12,436</b>

**Other non-current liabilities (Note 28)**

Other non-current liabilities (EUR 000)	June 30, 2024	December 31, 2023
Trade payables	11,180	14,482
Other payables	3,379	1,474
<b>Total</b>	<b>14,559</b>	<b>15,956</b>

**First-Half Consolidated Financial Report as at 30 June 2024**
**TESSELLIS**

The item 'trade payables' relates to the long-term component of trade payables. These payables are recorded at amortised cost.

Other non-current payables of EUR 3.4 million mainly comprise:

- EUR 2.9 million in tax payables for tax bills to be regularised in the long term;
- EUR 0.2 million for security deposits with customers;
- EUR 0.3 million payable to Janna S.c.p.a. (whose purpose is the management of a submarine fibre optic cable between Sardinia and the peninsula and between Sardinia and Sicily).

**Liabilities for severance pay (Note 29)**

The following table shows the movements during the period:

<i>(EUR 000)</i>	December 31, 2023	Provisions	Uses	Payments to Funds (*)	Change in the scope of consolidation	June 30, 2024
Severance pay fund	7,839	1,119	(365)	(963)	857	8,487
<b>Total</b>	<b>7,839</b>	<b>1,119</b>	<b>(365)</b>	<b>(963)</b>	<b>857</b>	<b>8,487</b>

(\*) This refers to payments made to treasury funds and other supplementary pension funds

The provision for severance pay, which includes indemnities accrued mainly in favour of employees, refers to the Parent Company and the subsidiaries operating in Italy and amounted to EUR 8.5 million as of 30 June 2024.

The 'change in the consolidation scope' column includes the balance of the severance indemnity provision relating to the Go Internet Group, consolidated as at June 1, 2024 (net of the provision for the period included in the 'Provisions' column).

**Provisions for risks and charges (Note 30)**

	December 31, 2023	Uses	Releases	June 30, 2024
Fund for network infrastructure restructuring charges	741	(149)	-	592
Client Supplementary Allowance Fund	465	-	-	465
Provision for employee disputes	271	(10)	(63)	198
Other provisions for risks and charges	171	-	-	171

## First-Half Consolidated Financial Report as at 30 June 2024



Tax audit risk fund (PPA)	4,374	-	-	4,374
<b>Total</b>	<b>6,021</b>	<b>(159)</b>	<b>(63)</b>	<b>5,799</b>

The provision for risks and charges as at June 30, 2024 amounted to EUR 5.8 million and mainly included the following items:

- EUR 4.4 million related to the net provision for tax audit provision;
- EUR 0.6 million for provisions against charges to be incurred for the rationalisation of the network infrastructure;
- EUR 0.5 million related to provision for agents' termination indemnity;
- EUR 0.2 million related to provisions for legal disputes with personnel;
- EUR 0.1 million for other provisions for risks and charges.

Monetary utilisations in the period, in the amount of EUR 159,000, relate to settlements of employee disputes in the amount of EUR 10,000 and utilisations to cover network infrastructure restructuring charges in the amount of EUR 149,000.

Releases amounted to EUR 63,000.

Reference should be made to the note '*Litigations, Contingent Liabilities and Commitments*' below for an update on the status of litigations, for which the accrued provision is deemed to represent the Group's best estimate of the risk of liability based on available knowledge.

### Deferred tax provision (Note 31)

Deferred tax provision (EUR 000)	June 30, 2024	December 31, 2024
Deferred tax provision	16,443	16,558
<b>Total</b>	<b>16,443</b>	<b>16,558</b>

The provision for deferred taxes amounted to EUR 16.4 million at 30 June 2024 and can be broken down as follows:

- EUR 15.8 million arising as part of the PPA process related to the Merger Transaction with the Linkem Retail Unit which took place on August 1, 2022. The reduction in the period, compared to the balance of EUR 16.5 million as at December 31, 2023 is equal to the write-down of the corresponding deferred tax assets;



- EUR 0.6 million in deferred taxes related to the Go Internet Group, consolidated as at June 1, 2024.

**Payables to suppliers (Note 32)**

<b>Payables to suppliers</b> (EUR 000)	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Payables to suppliers	124,271	94,372
<b>Total</b>	<b>124,271</b>	<b>94,372</b>

Trade payables refer to trade payables for the provision of telephone traffic, data traffic, supply of materials and technology and services, as well as the provision of long-term investments.

As at June 30, 2024, net trade payables due (net of payment plans agreed with suppliers, accounts receivable and in dispute with the same suppliers) amounted to EUR 13.5 million, compared to EUR 16 million as at December 31, 2023.

**Tax payables (Note 33)**

<b>Tax payables</b> (EUR 000)	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Tax payables	224	128
<b>Total</b>	<b>224</b>	<b>128</b>

Tax payable has a balance of EUR 0.2 million.

**Other current liabilities (Note 34)**

<b>Other current liabilities</b> (EUR 000)	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Accrued expenses	2,583	2,561
Deferred income	17,370	19,069
Other payables	23,962	21,795
<b>Total</b>	<b>43,915</b>	<b>43,425</b>

Accrued expenses mainly refer to personnel expenses.

Deferred income of EUR 17.4 million mainly refers to

- to the deferral of revenues for the activation of fixed and fixed wireless broadband and voice services, for the portion not pertaining to the period, for about EUR 15 million;
- to the deferral of revenues from the sale of transmission capacity (IRU), accrued in future years, for about EUR 1.9 million;

- to the short-term portion of the deferral of tax credits in the amount of EUR 0.5 million.

Other payables, amounting to EUR 24 million, mainly include:

- payables to tax authorities, social security institutions and public bodies for EUR 13.9 million;
- payables to personnel for wages and salaries of EUR 2.6 million;
- other short-term payables of EUR 1.3 million;
- trade payables of Tiscali Italia S.p.A. to Shellnet S.p.A. for EUR 3.1 million;
- other payables of the parent company Tessellis to Shellnet S.p.A. for EUR 3 million.

## 5.11 Other Information

### Stock Options

As at June 30, 2024, there were no active stock option plans in place.

### Tax proceedings

#### ***Cagliari Guardia di Finanza inspection on financial years 2021 and 2022.***

At the date of this Report, investigations by the Cagliari Finance Police on the 2021 and 2022 financial years are underway. The outcomes are not known at this time. The provision for potential tax disputes recorded in the financial statements as at June 30, 2024 is deemed by the Directors to be sufficient with respect to a possible negative outcome.

### Fair Value

In order to provide the classification of financial instruments at fair value required by IFRS 13, determined on the basis of the quality of the sources of the inputs used in the valuation, the fair value measurements of the Group's financial instruments were classified into the 3 levels required by IFRS 7. Specifically, the fair value hierarchy consists of the following levels:

- Level 1: corresponds to prices quoted in active markets.
- Level 2: corresponds to prices calculated through elements taken from observable market data.
- Level 3: corresponds to prices calculated through elements other than observable market data.

It should be noted that in 2023 there are no financial instruments measured at fair value based on the above parameters.

## Information by business sector

The segment information is presented on the basis of the following sectors:

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

The 'Corporate' Segment includes the holding company Tessellis S.p.A., minor Italian companies, foreign 'dormant' companies, and consolidation eliminations and adjustments.

The following table shows the results of operations and balance sheet structure by business segment for the first half of 2024.

1 <sup>st</sup> semester 2024	Access	Corporate	Total
<i>(EUR 000)</i>			
<b>Revenues</b>			
Towards third parties	109,003	9	109,012
Infragroup	956	(956)	-
<b>Total Revenues</b>	<b>109,959</b>	<b>(947)</b>	<b>109,012</b>
<b>Operating Profit</b>			
Earnings from equity-accounted investees			(451)
Financial Income			6
Financial charges			4,611
<b>Profit before tax</b>	<b>(19,720)</b>	<b>1,290</b>	<b>(21,010)</b>
Income Taxes			13
<b>Net result from continuing operations</b>			<b>(26,079)</b>
<b>Net result</b>			<b>(26,079)</b>

June 30, 2024	Access	Corporate	Total
<i>(EUR 000)</i>			
<b>Assets</b>			
Sector Assets	249,179	53,116	302,295
Equity investments accounted for using the equity method	5,396	-	5,396
Holdings in other companies	-	-	-
Goodwill/Consolidation Difference	-	-	-
Assets held for sale	-	-	-
<b>Total consolidated assets</b>	<b>254,575</b>	<b>53,116</b>	<b>307,691</b>
<b>Liabilities</b>			
Sector Liabilities	295,538	12,942	308,480
Liabilities held for sale	-	-	-
<b>Total consolidated liabilities</b>	<b>295,538</b>	<b>12,942</b>	<b>308,480</b>

### Non-recurring transactions

Pursuant to Consob Resolution No. 15519 of 27 July 2006, it should be noted that from January 1, 2024 to 30 June 2024 there were no non-recurring transactions.

For the purposes of providing the information required by Consob Resolution No. 15519 of July 27, 2006, transactions that are not part of the Group's ordinary operations have been considered 'non-recurring' even when they have occurred in previous financial years or are expected to occur in future financial years.

No non-recurring transactions were identified in the first half of 2024.

### Atypical and/or unusual transactions

Pursuant to the CONSOB Communication of July 28, 2006, it should be noted that in the first half of 2024, the Company did not engage in any atypical and/or unusual transactions, as defined in the Communication.

### Related Party Transactions

#### *Procedure*

The document explaining the procedure for regulating related parties can be found at [www.tessellis.it/procedure](http://www.tessellis.it/procedure).

#### *Transactions with non-consolidated Group companies*

The Group has no significant relations with non-consolidated companies.

#### *Transactions with other related parties*

During the period, the Tessellis Group engaged in certain transactions with related parties on terms and conditions deemed normal in their respective markets, taking into account the characteristics of the goods and services provided.

The table below summarises the income statement and balance sheet values recorded in the Tessellis Group's consolidated financial statements as at June 30, 2024:

## First-Half Consolidated Financial Report as at 30 June 2024



<b>Income Statement</b>			
(EUR 000)	Notes	Tessellis Group, 30 June 2024	Tessellis Group, 30 June 2023
Shellnet S.p.A.	1	(23,219)	(27,915)
Project Group S.r.l.	2	(325)	(443)
Sababa Securities S.p.A.	3	-	(74)
Connecting Project S.r.l.	4	(143)	-
Close family employees of Mr. Soru	5	(7)	(195)
Board of Directors and Strategic Directors		(918)	(917)
<b>Total Income and Charges</b>		<b>(24,612)</b>	<b>(29,544)</b>

<b>Balance Sheet</b>			
(EUR 000)	Notes	Tessellis Group, 30 June 2024	Tessellis Group, 30 June 2023
Shellnet S.p.A.	1	(56,574)	(30,523)
Project Group S.r.l.	2	(641)	(802)
Connecting Project S.r.l.	4	(262)	(189)
Close family employees of Mr. Soru	5	-	662
CC&Soci	6	(475)	(475)
Board of Directors and Strategic Directors		(266)	(241)
<b>Total Creditors (Suppliers) of Materials and Services</b>		<b>(58,217)</b>	<b>(31,568)</b>

1. Shellnet S.p.A.: main shareholder of Tessellis following the Merger by incorporation of Linkem Retail S.r.l. into Tessellis S.p.A (and simultaneous transfer of the Linkem Retail Unit to Tiscali Italia), completed on August 1, 2022. Shellnet S.p.A.'s stake in Tessellis was 59.26% at June 30, 2024. The transactions in question refer to: (i) provision of FWA connectivity service and CPE rental (sale) by Shellnet S.p.A., regulated by the Service Agreement signed by Shellnet S.p.A. and Linkem Retail S.r.l. on July 15, 2022; (ii) financial and commercial debts related respectively to the SLB rental and to the sale of CPE belonging to the Linkem Retail Unit merged in Tiscali Italia on August 1, 2022; (iii) other commercial debts existing before the date of merger in Tiscali Italia.

2. Project Group Italy S.r.l.: company in which the CEO of Tessellis, Dr. Davide Rota, holds the position of Director. The relationship refers to the CPE installation service for the activation of consumer and business customers carried out by Project Group Italy S.r.l., whose contract is included in the Business Unit merged into Tiscali Italia on 1 August 2022.

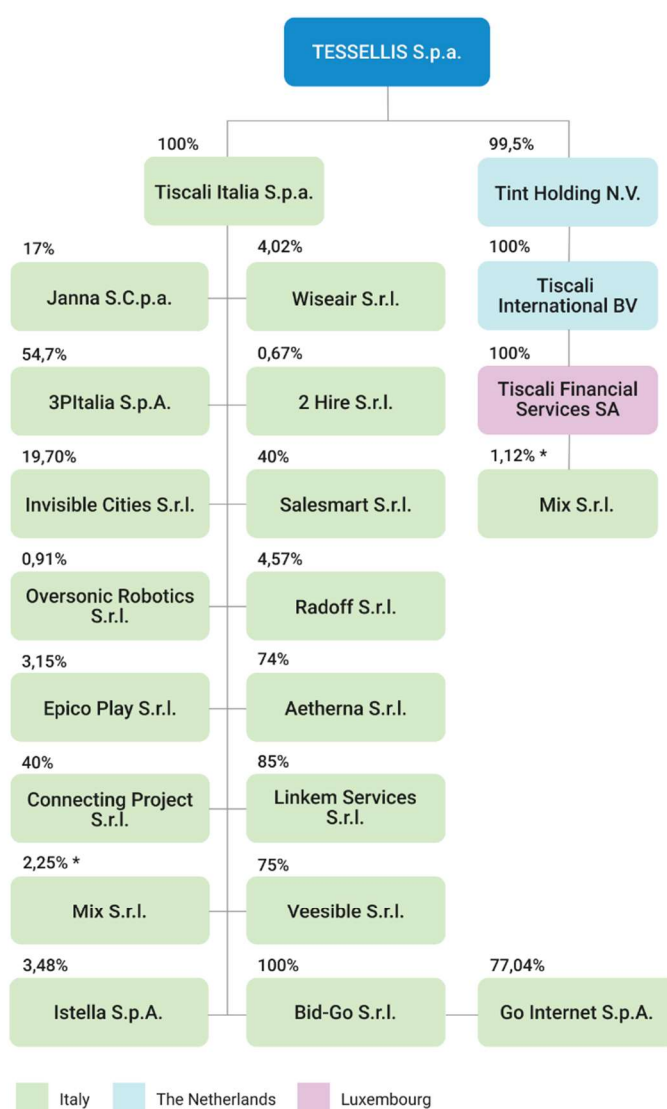
3. Sababa Securities S.p.A.: a company in which the CEO of Tessellis, Dr. Davide Rota, held the position of Chairman of the Board of Directors until May 2023. As at June 2023, the office lapsed. The relationship referred to security services provided by Sababa Securities S.p.A. to Tiscali Italia. The economic values shown in the table above refer to the costs for the provision of services until the end of May 2023.

4. Connecting project S.r.l.: a company 40% owned by Tiscali Italia S.p.A., in which the CEO of Tessellis, Dr. Davide Rota, holds the position of Director. The report refers to the IT maintenance and support services provided by Connecting project S.r.l. to Tiscali Italia S.p.a..

5. Transactions attributable to Dr. Soru: this line includes the income statement values in existence until February 21, 2024 related to assets and liabilities attributable to Dr. Soru, who resigned as Director and Chairman of the Board of Directors of Tessellis on that date.

6. *CC&Soci*: *CC&Soci Srl*, a subsidiary of *CC Holding Srl*, which holds an approximately 11.8% stake in *Amsicora S.r.l.* (a shareholder of the Company with a 2.39% stake as at June 30, 2024), entered into a contract with *Tessellis Spa* in December 2020 for the provision of financial advisory services. In addition, in December 2021, an addendum to the aforementioned 2020 contract was entered into regarding the financial advisory and assistance activities inherent to the Merger Transaction with *Linkem Retail S.r.l.*

### Structure of the Tessellis Group as at June 30, 2024:



(\* Le partecipazioni evidenziate in Tiscali Italia S.p.A. per il 2,25% e in Tiscali Financial Services SA per l'1,12% sono riferite alla medesima società Mix Srl.

#### Notes

It is specified that the company *Go Internet Spa* owns 100% of the company *X Stream S.r.l.* as at June 30, 2024.

**List of Company Offices:**

<b>Società consolidate</b>	<b>Indirizzo</b>	
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 Città d'Europa, 681	Roma (RM)
Veesible S.r.l.	Località Sa Illetta SS195 km 2300	Cagliari (CA)
Linkem Services S.r.l.	Viale Città d'Europa, 681	Roma (RM)
3P Italia S.r.l.	Via Comina 39	Seregno (MB)
Aetherna S.r.l.	Corso Cavour 2	Lomazzo (CO)

Cagliari, October 8, 2024

**The CEO**

**Davide Rota****The Executive in Charge of Preparing the  
Company's Accounting Documents**

**Fabio Bartoloni**

**Certification of the 2024 Consolidated Financial Statements pursuant to Article No. 81-ter of Consob Regulation No. 11971 of 14 May 1999, as amended and supplemented**

The undersigned, Davide Rota in his capacity of Chief Executive Officer, and Fabio Bartoloni, in his capacity of the Executive in charge of Preparing the Company's Accounting Documents of Tessellis S.p.A., hereby certify, with account also being taken of the provisions of Article No. 154-bis, Paragraphs 3 and 4 of Italian Law Decree No. 58 dated 24 February 1998:

- The adequacy in relation to the Company's characteristics;
- The effective application of the administrative and accounting procedures for the preparation of the Abridged Half-Year Consolidated Financial Statements for the first six-month period of 2024.

Tessellis S.p.A. has adopted as a reference framework for the definition and evaluation of its internal control system, with particular reference to internal controls for the preparation of the financial statements, the *Internal Control – Integrated Framework* model issued by the *Committee of Sponsoring Organisations of the Treadway Commission* which represents a body of general principles of reference for the internal control system generally accepted at international level.

It is also hereby certified that the Abridged Half-Year Consolidated Financial Statements for the six-month period ended 30 June 2024:

- Have been drafted were prepared in compliance with the International Financial Reporting Standards (IFRS) adopted by the European Union, as well as with the legislative and regulatory provisions in force in Italy;
- Are consistent with the results of accounting books and entries;
- Are suitable for providing a true and fair view of the equity, economic and financial situation of the issuer and all the companies included in the consolidation area.

Finally, it is certified that the Management Report includes a reliable analysis of references to important events that occurred during the year and their impact on the Consolidated Financial Statements, together with a description of the main risks and uncertainties.

Cagliari, October 8, 2024

**The CEO**



**Davide Rota**

**The Executive in Charge of Preparing the  
Company's Accounting Documents**



**Fabio Bartoloni**



## 8 Glossary

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<b><i>Shared access</i></b>	Technique of unbundled access to a local network, in which the former monopoly operator rents part of the frequency spectrum to other operators: the operator can supply broadband services in this section of the spectrum, while the former monopoly operator continues to supply telephony services on the unused portion of spectrum.
<b><i>ADSL</i></b>	Acronym for Asymmetric Digital Subscriber Line, an asymmetric (the receiving bandwidth is greater than the bandwidth available for transmission) DSL technology which allows high-speed internet access.
<b><i>ADSL2+</i></b>	ADSL technology, which extends the capacity of the ADLS base by doubling the flow of bits in download. The bandwidth can reach up to 24 Mbps for downloads and 1.5 Mbps for uploads, depending on the distance between the SDLAM and the user's home.
<b><i>Areas not covered</i></b>	Also called "indirect access areas", they identify geographical areas that are not directly served by the Tiscali network (see also Bitstream and Wholesale).
<b><i>ARPU</i></b>	Average revenue from fixed and mobile telephony services by user calculated over a determined period for an average number of clients of the Tiscali Group or active clients (for other operators) in the same period.
<b><i>Bitstream</i></b>	<i>Bitstream</i> (or numerical flow) service: a service consisting of the supply on the part of the access operator of the fixed telephone line of the transmission capacity between the location of the final user and the point of presence of an operator or ISP offering wide bandwidth to the final user.
<b><i>Broadband</i></b>	System of data transmission in which multiple data is sent simultaneously to increase the effective speed of transmission with a data flow equivalent or superior to 1.5 Mbps.
<b><i>Broadcast</i></b>	Simultaneous transmission of information to all nodes of a network.
<b><i>Unique browsers</i></b>	The number of different browsers that, in a determined period of time, access a site one or more times.
<b><i>Access fee</i></b>	It is the amount debited by national operators for each minute of use of their network by managers of other networks. It is also called

	“interconnection fee”.
<b>Capex</b>	Acronym for Capital Expenditure. Identifies outgoing cash flows generated by investments in the operating structure.
<b>Carrier</b>	Company that makes the telecommunication network physically available.
<b>Co-location</b>	Dedicated spaces in the machine rooms of an incumbent operator for the installation by Tiscali of its own network devices.
<b>CPS</b>	Acronym for Carrier Pre Selection, a system for preselecting an operator: this enables an operator/supplier of local services to automatically route calls on the network of the carrier selected by a client who no longer has to enter special selection codes.
<b>CS</b>	Acronym for Carrier Selection, a system for selecting an operator: it enables a client to select, by entering a special code, a long distance national or international operator other than that with whom he/she has a network access subscription.
<b>Business customers</b>	SoHos, small medium and large businesses.
<b>Consumer customers</b>	Customers who subscribe to an offer intended for households.
<b>Dial Up</b>	Narrowband internet connection by means of a normal telephone call, usually charged on a time basis.
<b>Digital</b>	This is the way of representing a physical variable in a language that uses only the figures 0 and 1. The figures are transmitted in binary code as a series of impulses. Digital networks, which are rapidly replacing the old analogue networks, allow greater capacities and greater flexibility by using computerized technologies for the transmission and handling of calls. Digital systems offer less noise interference and can include encryption as protection from outside interference.
<b>Double Play</b>	Combined offer of access to the Internet and fixed telephony.
<b>DSL Network</b>	Acronym for Digital Subscriber Line Network, which is a network built from existing telephone lines using DSL technology instruments that, by using sophisticated modulation mechanisms, enable data packets to be sent along copper wires and thus the linking of a telephone handset to a modem at a home or in an office.
<b>DSLAM</b>	Acronym for Digital Subscriber Line Access Multiplexer, a device used in DLS technologies, to multiply the transmission of data at high capacities on telephone wires, where a multiplexer means a

	device that enables the transmission of information (voice, data, videos) in flows by means of direct and continuous connections between two different points on a network.
<b><i>Fiber Optic</i></b>	Thin fibers of glass, silicon or plastic that form the basis of a data transmission infrastructure. A fiber optic cable contains various individual fibers, each capable of carrying a signal (light impulses) over a virtually limitless band length. They are usually used for long distance transmissions, for the transmission of "heavy data" so that the signal arrives protected from interference, which it might encounter along its own path. A fiber optic cable's carrying capacity is considerably greater than that of traditional cables and copper wire twisted pairs.
<b><i>GigaEthernet</i></b>	Term used to describe the various technologies that implement the nominal speed of an Ethernet network (the standard protocol for cards and cables for high-speed connections between a computer and a local network) of up to 1 gigabit per second.
<b><i>Home Network</i></b>	Local network made up from various kinds of terminals, devices, systems, and user networks, with related applications and services including all the apparatus installed at user premises.
<b><i>Hosting</i></b>	Service that consists of allocating on a web server the pages of a website, thus making it accessible from the internet network.
<b><i>Incumbent</i></b>	Former monopoly operator active in the telecommunications field.
<b><i>IP</i></b>	Acronym for Internet Protocol, a protocol for interconnecting networks (Inter-Networking Protocol), created for interconnecting ungrouped networks by technology, services, and handling.
<b><i>IPTV</i></b>	Acronym for Internet Protocol Television, a technology suited for using the IP transport technology to carry television content in digital form, using internet connections.
<b><i>IRU</i></b>	Acronym for Indefeasible Right of Use, long-term agreements that guarantee the beneficiary the option of using the grantor's fiber optic network for a long period.
<b><i>ISDN</i></b>	Acronym for Integrated Service Digital Network, a telecommunications protocol in Narrowband able to carry in an integrated form various kinds of information (voice, data, texts, and images) coded in digital form on the same transmission line.
<b><i>Internet Service Provider</i></b>	Company that provides Internet access to single users or

<b>or ISP</b>	organizations.
<b>Leased lines</b>	Lines whose transmission capacity is made available through leasing contracts for the transmission capacity.
<b>LTE-TDD</b>	Long Term Evolution Time Division Duplex is a data transmission mobile technology which follows the LTE international standards, and which was developed for 4G networks. It is a network technology, which uses one frequency only for transmitting in time-sharing, in other words alternatively between data upload and download with a dynamic adaptation ratio based on the amount of exchanged data.
<b>MAN</b>	Acronym for Metropolitan Area Network, a fiber optic network that extends across a metropolitan area and links a Core Network to an Access Network.
<b>Mbps</b>	Acronym for megabit per second, a unit of measurement that states the capacity (and thus the speed) of data transmission along a computer network.
<b>Modem</b>	Modulator/demodulator: it is a device that modulates digital data in order to permit its transmission along analogue circuits, usually made up of telephone lines.
<b>MNO</b>	Acronym for Mobile Network Operator, an operator of proprietary telecommunications on a mobile network that offers its own services wholesale to all MVNOs (Mobile Virtual Network Operator).
<b>MPF</b>	Acronym for Metallic Path Facility, the pair of copper wires (unscreened twisted pair) that comes from an exchange (MDF- Main Distribution Frame) in an operator's telephone room and arrives at the user's premises (individual or corporate). Connections can be Full or Shared. A Full type connection enables the use of the data service (broadband) in addition to voice traffic. A Shared kind of connection only enables the use of the data service (broadband). In a "shared access" service, the LLU operator (in ungrouped access) provides the ADSL services to the end user, whilst the incumbent operator provides the analogue telephone service using the same access line.
<b>MSAN</b>	Acronym for Multi-Service Access Node, a platform able to carry a combination of traditional services on an IP network and that

supports a variety of access technologies such as for example a traditional telephone line (POTS), and ADSL2+ line, a symmetric SHDSL line, VDSL and VDSL2 over a copper or fiber-optic network.

**MVNO**

Acronym for Mobile Virtual Network Operators: a party that offers mobile telecommunications services to the public, using its own mobile network interconnection structures, its own HLR, its own mobile phone network code MNC, Mobile Network Code), its own customer handling (marketing, invoicing and support) and issuing its own SIM cards, but does not have assigned frequencies and takes advantage, for access, of agreements negotiated or regulated via one or more licensed mobile network operators.

**Narrowband**

System for connecting to data networks, for example the Internet, by means of a telephone call. In this kind of connection all, the bandwidth used for the means of transmission is used as a single channel: one single signal occupies all the available bandwidth. The bandwidth of a communications channel identifies the maximum quantity of data that can be carried by means of transmission of the unit over time. The capacity of a communication channel is limited by the frequency interval that the equipment can sustain and by the distance to be travelled. An example of a Narrowband connection is the common modem narrowband connection at 56 kbps.

**OLO**

Acronym for Other Licensed Operators, operators other than the dominant one that operate in a national telecommunications services market.

**Opex**

Acronym for Operating Expenses, which are direct and indirect costs that are recorded in the income statement.

**Pay-Per-View**

System by which a spectator pays to view a single programme (such as a sporting event or a film or concert) at the time it is transmitted or broadcast.

**Pay TV**

Pay TV channels. To receive Pay TV or Pay-Per-view, you have to connect a decoder and have an access system subject to conditions.

**Platform**

It is the total of the inputs, including hardware, software, and equipment for running and the procedures for production

	(production platform) or for the management (management platform) or for a special service (service platform).
<b>POP</b>	Acronym for Point of Presence, a site at which telecommunications apparatus is installed and that forms a node on the network.
<b>Portal</b>	Website that forms a point of departure or an entry point for a major group of Internet resources or an Intranet.
<b>Router</b>	Hardware or in some cases software instrument that identifies the next point on the network to which a data packet is to be sent, and routes that data packet towards the end destination.
<b>Service Provider</b>	Party that provides end users and content providers with a range of service, including that of an owned, leased, or third-party service center.
<b>Server</b>	Computer component that provides services to other components (typically client calls) via a network.
<b>Set-top-box o STB</b>	Device able to handle and route data, voice, and television connections, installed at the end user's premises.
<b>Syndication</b>	The sale of radio and TV transmissions wholesale by a media company that owns the rights and usually the delivery platform also.
<b>SoHo</b>	Acronym for Small Office Home office, for small offices, mostly professional offices, or small firms.
<b>SHDSL</b>	Acronym for Single-pair High-speed Digital Subscriber Line. SHDSL is a technology for telecommunications of the xDSL family and is made by using direct LLU interconnections and enables high-speed connections to be made in a balanced way in both directions (transmission and reception).
<b>Single Play</b>	Service including only broadband data access, not combined with other multi play components such as voice and IPTV services. Broadband access may be provided through LLU platforms, Wholesale or Bitstream.
<b>Single Play voice</b>	Service including only voice access, not combined with other multi play components such as broadband and IPTV access. Voice service can also be provided by VoIP and CPS procedures.
<b>SMPF</b>	Acronym for Shared Metallic Path Facilities, which is synonymous with Shared Access (ungrouped access).
<b>Triple Play</b>	A combined offering of fixed and/or mobile telephony, Internet

	and/or TV made by a single operator.
<b>Local loop unbundling or LLU</b>	Unbundled access to a local network, in other words, the possibility that telephone operators have had, since the telecommunications market was deregulated, to use existing physical infrastructures built by another operator to offer its own services to customers, paying a rental to the operator that is the actual owner of the infrastructure.
<b>VAS</b>	Acronym for Value-Added Services; services with added value provide a greater level of functionality compared with the basic transmission services offered on a telecommunications network for the transfer of information between terminals. These include switched analogue voice communications via cable or wireless, a direct digital point to point network “unrestricted” at 9,600 bits/s; packet switching (called virtual) service; analogue and direct broadband transmission of TV signals and extra services, such as closed user groups; call waiting; reverse charging; call forwarding, and identification of the number called. The value-added services provided over a network, from terminals or specialist centers include message handling systems (MHS) ((which can also be used for commercial documents in accordance with a predetermined format); electronic user directories, network, and terminal addresses; e-mail; fax, teletext, videotext, and videophone. Value added services may also include voice telephony value added services such as free numbers or paid telephone services.
<b>VISP</b>	Acronym for Virtual Internet Service provision (sometimes also called Wholesale ISP). This is selling of Internet services purchased wholesale from an Internet Service Provider (ISP) that owns the network infrastructure.
<b>VoD</b>	Acronym for Video On Demand. It is the supply of television programs on request by a user for payment of a subscription or of a sum for each programme (a film, or a football match) purchased. Broadcast in a special way by satellite TV and for cable TV.
<b>VoIP</b>	Acronym for Voice over internet Protocol, a digital technology that enables the transmission of voice packets through Internet, Intranet, Extranet and VPN networks. The packets are carried

	according to H.323 specifications, which are the ITU (International Telecommunications Union) standard that forms the basis for data, audio, video, and communications on IP networks.
<b>VPN</b>	Acronym for Virtual Private Network, which can be realized on Internet or Intranet. Data between workstations and the server of the private network is sent along common public Internet networks but using protection technologies against any interception by unauthorized persons.
<b>Virtual local loop unbundling or VLLU</b>	Procedure for accessing a local analogue network by which, even in the absence of physical infrastructures, the conditions, and terms of access under LLU terms are replicated. This is a temporary access system that is usually replaced by LLU.
<b>xDSL</b>	Acronym for Digital Subscriber Lines, a technology that, by means of a modem, uses the normal telephone twisted pair and transforms the traditional telephone line into a high-speed digital connection for the transfer of data. ADSL, ADSL 2, and SHDSL etc. belong to this family of technologies.
<b>WI-FI</b>	Service for connection to the internet at high speed wirelessly.
<b>Wi-Max</b>	Acronym for Worldwide Interoperability for Microwave Access: it is a technology that enables wireless access to broadband telecommunications networks. It has been defined by the WiMax forum, a worldwide consortium made up of the largest companies in the fixed and mobile telecommunications field that has the purpose of developing, promoting, and testing the interoperability of systems based on IEEE standard 802.16-2004 for fixed access and IEEE.802.16e-2005 for fixed and mobile access.
<b>Wholesale</b>	Services that consist of the sale of access services to third parties.





**9 Reports**

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