



Tiscali Group Half-Year Consolidated Financial Report as at 30 June 2022

The Board of Directors of Tiscali S.p.A. authorised the publication of this document on 12 September 2021.

This report is available on the website www.tiscali.it

Tiscali Spa

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

Share Capital EUR 78,655,159.37

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

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First-Half Consolidated Financial Report as at 30 June 2022
1 Highlights

Income statement	1st semester 2022	1st semester 2021
<i>(EUR mln)</i>		
Revenue	64,0	72,9
Other income	13,2	1,9
Adjusted Gross Operating Result (EBITDA)	12,9	11,9
Operating Result (EBIT)	(12,6)	(8,6)
Net Result	(16,6)	(12,5)
Statement of financial position	30 June 2022	31 December 2021
<i>(EUR mln)</i>		
Total assets	135,1	143,2
Net Financial Debt	88,7	88,0
Net Financial Debt as per Consob	101,6	100,5
Shareholders' equity	(83,5)	(81,6)
Investments	15,1	36,0
Operating figures	30 June 2022	31 December 2021
<i>(thousands)</i>		
Total number of Clients	620,1	642,6
Broadband Fixed	319,1	350,5
<i>of which Fiber</i>	276,0	281,3
Broadband Wireless	30,6	33,3
<i>of which LTE</i>	30,6	33,3
Mobile	270,4	258,8

2 Alternative Performance Indicators

In this report on operations, in addition to the conventional indicators provided for by IFRS, a number of alternative performance indicators are present (EBITDA) used by the management of Tiscali Group for monitoring and assessing the operational performance of the Group. This indicator, also present in the previous financial reports (annual and half-year), and whose method of determination has not changed as compared to the past, should not be considered a substitute for the profitability measures established by IFRS; in particular, since the composition of the EBITDA and is not regulated by reference accounting standards, the calculation criteria applied by the Tiscali Group might not be the same as that adopted by other operators and therefore this alternative performance indicator might not be comparable.

In line with the CONSOB communications on the matter, the criteria used to calculate the EBITDA indicator of the Tiscali Group follow. In particular, the EBITDA is formed as indicated below:

EBITDA determination table

<i>(Thousands of Euros)</i>	1st semester 2022	1st semester 2021
Result before taxes	(16,577)	(12,492)
+ Financial Expenses	3,822	3,711
- Financial Income	(1)	(0)
+ Result on Investments at equity method	200	161
Operating income	(12,556)	(8,621)
+ Restructuring costs and other provisions	2,564	(147)
+ Depreciation and Amortization	22,938	20,684
Gross Operating Result (EBITDA) (*)	12,946	11,916

3 Directors and Statutory Auditors

Board of Directors

The Board of Directors was appointed by the Shareholders' Meeting held on 16 June 2022, and shall remain in office until the approval of the financial statements as at 31 December 2024:

Chairman: Renato Soru (#)

CEO: Davide Rota (#)

Maurizia Squinzi (*) (1) (2) (3)

Serena Maria Torielli (*) (1) (2) (3)

Sara Testino (1) (2) (3)

Cristiana Procopio

Alberto Trondoli

(*) Independent Directors

(#) The Chairman of the Board is the legal representative of the Company, the CEO has powers of ordinary and extraordinary administration, to be jointly or severally 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

Board of Auditors

The Board of Auditors was appointed by the Shareholders' Meeting held on 24 June 2021, and shall remain in office until the approval of the financial statements as at 31 December 2023:

Chairman: Riccardo Zingales

Statutory Auditors: Gaetano Rebecchini

Rita Casu

Half-Year Consolidated Financial Report as at 30 June 2022**Executive in charge of drafting the corporate financial documents**

Silvia Marchesoli

The Executive in charge of drafting the corporate financial documents was appointed by the Board of Directors held on 28 June 2021, and shall remain in office until the approval of this 2022 Half-Year Consolidated Financial Report.

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 Managements Report

4.1 Tiscali's market positioning

Tiscali is one of the leading alternative telecommunications operators in Italy.

Through a network based on IP technology, Tiscali offers on the market a wide range of services: Internet access in mode Ultra Broadband Fixed, Broadband and Fixed Wireless, mobile services, digital value-added services, B2B services, media activities through the portal Tiscali.it with the sale of space through external concessionaire and e-commerce activities.

The value of the Italian telecommunications services market in 2021 (source: AGCOM – latest available data), including fixed and mobile services, was about EUR 27.84 billion. The pandemic crisis, albeit to a lesser extent than in 2020, has continued to produce its effects in the electronic communications market, which, in a macroeconomic scenario of substantial recovery, sees a reduction in overall revenues of 2.8% (-4.8% in 2020). This decline is mainly attributable to the drop in mobile network resources, whose value – now amounting to EUR 12.44 billion – appears to have fallen by 4.6%, while fixed network services – with a total value of EUR 15.4 billion – show a more moderate reduction (-1.3%).

Fixed Broadband Market Evolution

Broadband and Ultrabroadband accesses on the Fixed Network, Tiscali's main reference market, reached 18.67 million accesses in March 2022 (source: AGCOM – latest available data) with a 1.3% year-on-year increase.

The increase continues to be driven by Ultrabroadband accesses (in Fiber to the Home, Fiber to the Cabinet and Fixed Wireless Access technology), which amounted to 14.89 million units in March 2022 with a year-on-year growth of 11.7% and represent about 80% of the total. Over the same period, the traditional DSL component declined significantly, with a loss of 1.315 million units (-25.8%). The trend of the ongoing technological shift from DSL offerings towards Ultrabroadband offerings accelerated by the COVID emergency is therefore continuing.

Tiscali's market share stands at 2.1%. TIM is the market leader at 40.9% followed by Vodafone (16.8%), Fastweb (14.6%) and Wind Tre (14.2%). This is followed by Linkem (3.2%) and Eolo (3.2%).

The evolution of the market by technology shows a growth in Ultrabroadband of 33.3% with a total of 2.82 million FTTH accesses, a growth in FTTC accesses of 7.7% with 10.33 million and growth in Fixed Wireless Access of 7% with 1.72 million total accesses.

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In the FTTH segment, which shows the highest growth rate, Tiscali's market share amounted to 4.5% in March 2022.

The potential of the FTTH market is attracting new entrants pursuing a convergence strategy. After the entry of SKY in June 2020, it was the turn of Poste Italiane in May 2021. The operator Linkem launched its FTTH fibre service in late 2021 under the Just Speed brand, while Iliad launched its fibre offering in 2022. The launch of Virgin Fibra by the historic British Virgin Group took place in August this year. The brand, which is already popular in Italy mainly for its chain of gyms, radio station and a cruise company, offers its service in FTTH access technology without telephone calls on the Open Fiber network.

Mobile market

The market for mobile services in March 2022 (source: AGCOM) recorded an increase in the total number of lines of 2.1 million units year-on-year: 106.5 million SIMs in March 2022 as compared with 104.3 million in March 2021, of which 28.5 million units are "M2M" (Machine To Machine) SIMs, accounting for 26.76% of the total, with growth of around 1.729 million year-on-year, and 78 million are "human" SIMs carrying out "voice only" and "voice+data" traffic, with a slight increase of 409,000 units year-on-year (409,000 units).

With reference to overall SIM cards, Tim is the market leader with a 28.5% market share followed by Vodafone with 28.2% and Wind Tre with 24.4%, while Iliad represents 8.3% of the market with a 1.1 percentage point year-on-year growth. Considering only the "human" SIM segment, i.e., excluding M2M, Iliad reaches 11.3% and gains 1.6 p.p. year-on-year, while Wind Tre, despite a 1.1 p.p. year-on-year decrease in share, remains the main operator with 26.2% followed by Tim with 25.3% and Vodafone with 22.8%.

Tiscali operates in the MVNO market, which has approximately 11.29 million SIMs (10.6% of the total and 14.4% of the human market). The MVNO market leader is Poste Mobile with a 4.3% share of the total mobile market and 5.8% of the total human SIMs.

In the mobile market, Tiscali recorded an increase in its customer portfolio to approximately 270 thousand units as at 30 June 2022, a 9% increase compared to 30 June 2021.

Total data traffic in the market, as of March 2022, continues to grow, albeit at a lower rate than in previous years: +28.2% compared to December 2021. Tiscali' mobile offering is available in 7,801 Italian Municipalities (TIM network) representing 99.7% of national coverage, the most extensive in Italy.

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Online Advertising Market

In the first half of 2022, the online advertising market in Italy recorded a very modest growth of 0.2% (in absolute value EUR 231 million) and if we look at the single month of June 2022 compared to 2021, investments decreased by 2.5% (source FCP: Federazione Concessionarie Pubblicitarie).

Looking at the details by type of access device, we can see that, in the first six months of the year, smartphones grew by 0.8%, while desktops (including tablets) decreased by 0.1%. A growth in the use of content via Apps (+2.2%) is also to be noted. In the first six months of 2022, the Leisure and Tourism sectors are growing when compared to the same period last year, with the effects on the movement of people and means of transport being the subject of recent news. The market remains characterised by strong elements of uncertainty (pandemic and geopolitical instability) that do not create positive expectations and do not drive advertising investments.

Internet penetration among the population continues to grow in June 2022 and stands at 37.3 million Italians over the age of 2. If only smartphones are considered, the average number of users connecting every day is 34.6 million (80% of total users) (source: Audiweb).

In the first half of 2022, the portal continued to develop activities relating to transactional services. Tiscali Shopping increased the number of merchants joining the platform with an expansion of the product catalogue. Tiscali Tagliacosti, through which the company, in partnership with CloudCare, has entered the online comparator market, has also expanded its offer by adding the real estate service to its energy, insurance and car rental offers, thanks to which it is possible to obtain a free valuation of a property for sale in just a few minutes. Tagliacosti registers an average audience of 50,000 visitors/month.

4.2 Regulatory Framework

The main regulatory actions taken during the reporting period are summarised below.

Electronic communications services on fixed networks

The regulatory instruments adopted in the course of 2021 and in the first part of the current year were aimed in particular at guiding the infrastructure markets towards increasingly competitive outcomes and, at the same time, at stimulating investments in new very high bandwidth networks, the so-called VHCN (Very High Capacity Networks) in line with the strategic objectives of the Authority:

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- ✓ With Resolution no. 637/20/CONS, AGCOM initiated the preliminary investigation procedure relating to the Fifth Round of coordinated analysis of the markets for fixed network access services and, at the same time, put out for public consultation the TIM's draft voluntary legal separation of the fixed access network notified to the Authority on 2 September 2020. The public consultation was attended by the main players in the sector, including Tiscali, and the relevant contributions were published in July 2021 by means of Resolution No. 253/21/CONS. However, by virtue of the close objective connection between the proceeding in question and the proceeding concerning the proposed commitments submitted by TIM which is still open, as referred to in the next point, the Authority has extended the deadlines for the adoption of the draft measure on the basis of which it will decide, depending on the updated competitive context, whether to maintain or update the current regulatory obligations.
- ✓ With resolutions 110/21/CONS and 1/22/CONS, the Authority put out for consultation the commitment proposal submitted by TIM concerning co-investment in very high-capacity networks (in accordance with the procedure provided for in the new European Electronic Communications Code – Article No. 76). The proposal calls for the construction of a new VHC fibre-optic network up to end-users' premises, or to the base station, through co-ownership or long-term risk sharing through co-financing or structural purchase agreements. Following the preliminary investigation, the Authority assessed the co-investment project proposed by Tim as compliant, in principle, with the above-mentioned European legislation on the subject and, in May 2002, notified the European Commission of an outline of the measure containing the proposed regulatory treatment of the new VHC network subject to co-investment.

However, in view of TIM's unilateral decision to substantially modify the commitment proposal, introducing into the co-investment offer the provision of a price indexation mechanism, the Authority found it necessary, in order to guarantee adequate transparency and fairness towards the market and the European Institutions themselves, to withdraw its draft measure sent to the Commission and to proceed with new investigations into the aforesaid modification, further extending (by resolution 207/22/CONS) the terms of the proceedings.
- ✓ With reference to the fixed-network interconnection markets, the identification and analysis procedure (4th round), initiated in 2019 with Resolution 151/21/CONS, is still open, whereby the Authority proposed to remove the regulation of TIM in the collection market and to notify as SMP 26 operators providing fixed-network termination services.

Supervision of electronic communications services, numbering and universal service

The management of numbering resources is governed, in its principles and tools, by the National Numbering Plan (“PNN” – former Resolution No. 8/15/CIR and subsequent amendments and additions).

- ✓ In this regard, the most important measures were: *i.* Resolution No. 85/21/CIR, by which the PNN was updated regarding the use of numbers with code 455 for recurring donations; *ii.* Resolution No. 86/21/CIR, by which measures were introduced aimed at increasing security in cases of SIM replacement (so-called SIM swap) within the mobile number portability procedure; and *iii.* Resolution No. 103/21/CIR by which the Authority introduced changes to the number portability procedures with a view to streamlining the timescales and steps involved. The same measure also provided for the initiation of a technical roundtable relating to the revision of the pure Number Portability (NP) procedures on the fixed network for geographic numbers, which concluded with the adoption of the technical specifications adopted by Resolution No. 8/22/CIR.

- ✓ Regarding Universal Service, with resolution 18/21/CIR published in March 2021, AGCOM had identified a new criterion for apportioning the burden relating to the obligation to supply for the years 1999-2009, determining the imposition of a new contribution on Tiscali. However, in view of the appeals filed by a number of Operators with a precautionary petition against the resolution in question, the MISE deemed it appropriate to suspend the collection of the universal service funding quotas until the conclusion of the proceedings. At the same time, AGCOM, in June 2022, suspended the terms of the proceeding on the applicability of the mechanism for allocating and assessing the net cost of the universal service for the years from 2010 to 2013, since the same unfairness assessment criterion applied in Resolution No. 18/21/CIR, which had been annulled at first instance.

Measures for consumers with disabilities

In October 2021, with Resolution No. 29021/CONS, AGCOM published new regulations on facilities for disabled consumers. In particular, the Authority provided for the extension of the scope of beneficiaries to a new category of disabled users and the adoption of further measures on transparency, customer care and substitute services, with the aim of ensuring consumers with disabilities equivalent access to electronic communication services. Tiscali has adopted the planned

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measures, adapting its offers and assistance procedures.

Voucher plan for Ultra Broadband connection

The Connectivity Voucher Plan is a measure initiated by the Ministry of Economic Development to promote and incentivise the deployment of Ultra Broadband connectivity services in all areas of the country.

The plan was implemented in several phases:

1. Phase 1 (“Family Voucher”), launched on 9 November 2020, concerned citizens with an ISEE (Indicator of the Equivalised Economic Situation) of less than EUR 20,000, and provided a contribution of up to EUR 500 for the purchase of Ultra Broadband connectivity services and a tablet or PC. Tiscali was among the first operators to have made the voucher offer available to households from the start of the measure, offering the bundle of connectivity in FTTC and FTTH technology and a tablet, both for new customers and for its customer base still in broadband technology. Phase 1 of the voucher plan for low-income households was closed on 24 November 2021.

In May 2022, Infratel launched the consultation on the second phase of the voucher families. The consultation included two areas of intervention: *i.* The provision of a voucher of EUR 300 for UB connectivity services without ISEE constraints but without provision of tablets; and *ii.* The proposal of further facilities for vertical cabling and digital services. Tiscali participated in the consultation by setting out its position on the proposed issues.

2. Phase 2 (“Business Voucher”), launched on 1 March 2022, initially intended for micro, small and medium-sized enterprises, was then extended by decree of the MISE of 27 April 2022 to include freelance professionals. Beneficiaries can apply for only one voucher, the amount of which can vary from a minimum of EUR 300 to a maximum of EUR 2,000. The Ministry has earmarked EUR 609 million for this measure. The Plan for businesses will last until the allocated resources are exhausted and, in any case, no longer than 24 months from the start of the measure.

Implementation of the new Electronic Communications Code

At the end of April 2022, AGCOM’s Consumer Protection Directorate launched a round table with the Operators aimed at implementing the new Electronic Communications Code adopted with the European Directive (EU) 2018-1972 and transposed in Italy by the Legislative Decree No. 207 of 8 November 2021. The objective is to harmonise the current sector regulations, relating to the protection of end-users’ rights, with the provisions of the new Code, so as to enable Operators to act in a univocal and effective regulatory context.

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Tiscali participates in the Table both independently and through Asstel and has sent its own position paper on the necessary regulatory interventions.

4.3 Tiscali S.p.A. share capital as at 30 June 2022

Share Capital	EUR 78.655 thousand
Number of Ordinary Shares (no par value)	68,985,856
Market capitalisation (on average listing June 2022, equal to EUR 0.97)	EUR 66.916 thousand

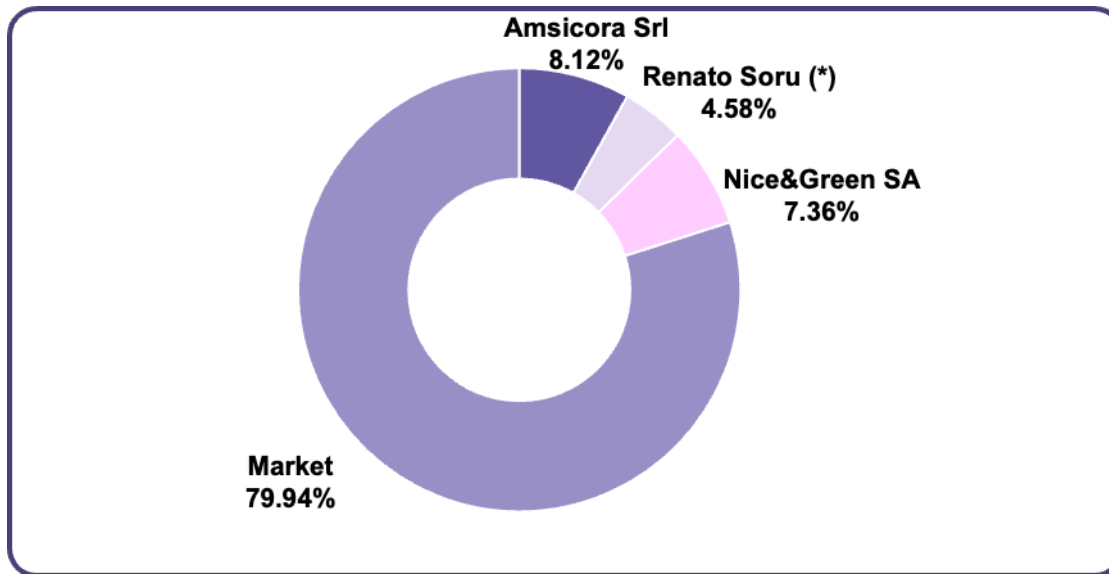
Tiscali shares have been listed on the Italian Stock Exchange (Milan: TIS) since October 1999.

On 3 June 2022, in execution of the resolution passed by the Extraordinary Shareholders' Meeting of Tiscali held on 26 April 2022, the Tiscali ordinary shares were regrouped at a ratio of 1 new ordinary share for every 100 existing ordinary shares.

The market capitalisation as of 30 June 2022 compares with a consolidated equity deficit of EUR 83.5 million. The differential between the capitalisation and the consolidated equity value, equal to EUR 150 million, is representative of the values not expressed in the financial statements of the Tiscali Group prior to the completion of the merger with Linkem Retail. At the date of approval of this financial report, the market capitalisation, excluding unlisted shares, is equal to Euro 41 million.

Shareholding structure as at 30 June 2022

Based on the results of the Shareholders' Register, supplemented by further communications received and information available to Tiscali, as at 30 June 2022 Tiscali's shareholder structure is as follows:

Half-Year Consolidated Financial Report as at 30 June 2022


Source: Tiscali

(*) Directly for 3.85% and indirectly through the subsidiaries Monteverdi Srl (0.26%) and Cuccureddus Srl (0.48%)

New Group Shareholding structure as of 1 August 2022

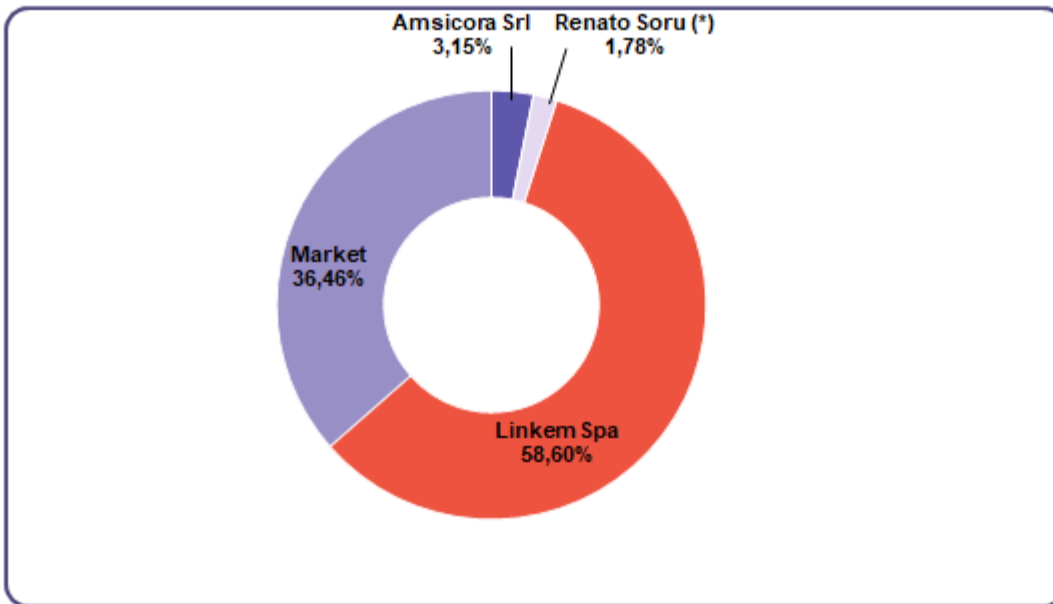
After 30 June 2022, the Issuer's share capital changed as follows as a result of capital increases relating to:

- No. 4,497,751 new ordinary shares, by virtue of the conversion requested by Nice&Green S.A. of the tenth tranche consisting of no. 30 bonds of the loan subscribed by N&G on 24 July 2022 and converted on 29 July 2022;
- No. 104,025,497 new ordinary shares to service the merger by incorporation of Linkem Retail srl into Tiscali S.p.A effective 1 August 2022.

As of the date of approval of this Report, the newly issued shares have not yet been admitted to listing.

Following these increases, the share capital consists of 177,509,104 ordinary shares.

Tiscali's Shares structure, as of 16 August 2022, is as follows:



Source: Tiscali

(*) Directly for 1.49% and indirectly through the subsidiaries Monteverdi Srl (0.1%) and Cuccureddus Srl (0.19%)

4.4 Main activities carried out and results achieved during the first half of 2022

In terms of strategy during the first half of 2022, Tiscali focused on the development of the Fibre market, whose coverage across the country is constantly expanding.

Tiscali, pursuing its mission of offering everyone equal and free access to digital life, was among the first operators to choose to bring FTTH services with capacity up to 1Gbps to the homes of Italians residing in the so-called extended digital divide areas, joining Open Fiber's offer for areas C and D of the country; in these areas, coverage increased from 1,600 Municipalities at the end of 2021 to approximately 1,800 as at 30 June 2022.

Thanks to the completion of access to the Bitstream NGA network, as at 30 June 2022 Tiscali will be able to provide Fibre services to approximately 29 million households and businesses: in mixed copper Fibre technology to approximately 18 million households and businesses and in FTTH technology to approximately 10 million households and businesses.

Thanks to the increase in FTTH coverage, Tiscali's market share as at 30 March 2022 in this

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technology amounts to 4.5%.

Furthermore, in the FWA area, the Company has concentrated its service sales activities on Linkem's network, abandoning other providers that did not provide useful coverage and type of service. In fact, Linkem's FWA service, in addition to providing a service with speeds of up to 100Mb, makes it possible to offer Ultra Broadband connectivity to a potential market of approximately 17 million households and businesses.

Thanks to the actions described above and to marketing actions focused on Fibre offers, Ultra Broadband customers (Fibre FTTH up to 1 Giga and FTTC up to 200 and 100 Mbps, Fixed Wireless up to 100 Mbps) as at June 2022 record an overall growth of 10.5% compared to the previous year (250 thousand units as at 30 June 2021 compared to 276 thousand units as at 30 June 2022).

Thanks to the renewed MVNO agreements with TIM, mobile service performance was increased with the maximum speed levels attainable by 4G technology and with offers that allow it to compete even with low-cost operators (70-150 GB).

Mobile customers increased by 9% from 248,000 as at 30 June 2021 to 270,000 as at 30 June 2022.

Furthermore, in March 2022, the voice modernisation project started as the first among independent MVNOs in Italy, thanks to the introduction of VoLTE (voice over LTE) technology, which allows a major improvement in call quality as well as the possibility of calling and browsing at the same time. The plan to enable the entire customer base started at the beginning of June 2022 and ended in July 2022.

On 25 January 2022, Tiscali received from Ookla – a world leader in mobile and broadband network intelligence and in the testing of related applications and technologies – the award as Italy's fastest fixed network operator in 2021 for the second time in a row. The award, already won by Tiscali last July for the first half of 2021, was awarded based on Ookla's analysis of Speedtest Intelligence® data also for the second half of 2021. Tiscali won it with a Speed Score™ of 97.77, with maximum download speeds of 459.86 Mbps and maximum upload speeds of 273.15 Mbps, outperforming the previous six months.

This is a remarkable acknowledgement of the performance of Tiscali's services, obtained precisely at a time when the market is most demanding in terms of quality and reliability, partly as a result of the new way in which football content is streamed.

In relation to the "Connectivity Voucher Plan", the measure promoted by the MISE aimed at promoting the diffusion of Ultra Broadband connectivity services throughout the country with the objective of overcoming the digital divide and in support of the population with geographic and income limitations,

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Tiscali, after having concluded Phase 1 of this measure in November 2021, joined Phase 2 of the voucher on 3 March 2022, reserving it for businesses. This initiative was designed for VAT numbers and Public Medium Enterprises (SMEs) registered with the REA, which do not exceed 250 employees, and which wish to activate an Ultra Broadband connectivity service >30Mbit/s that improves on any service already active on its premises. The financial contribution under this measure ranges from EUR 300 to EUR 2,500, depending on the type of connectivity chosen.

As regards domain and hosting services, in March 2022, Tiscali activated an innovative cloud platform based on Whmcs and Plesk technology. The change of platform will make it possible to provide cloud services that meet the highest market standards in terms of security, efficiency with competitive rates, and quality customer support ensured directly and promptly by the Company's internal structures. Use of the platform is extremely simple: hundreds of applications from the Softaculous library are already pre-installed, including those for the creation of websites and blogs, such as Wordpress, Joomla, Drupal, and the most widely used for the development of e-commerce platforms, such as Magento and Prestashop.

As regards activities relating to services for the Public Administration, in 2022 Tiscali continued to prepare the "VILLANOVA Project – Cloud-edge continuum for AI-based public services in rural areas and peripheral regions" (also referred to as the "Villanova Project"), which is characterised as a "Project of Common European Interest (IPCEI)" in the area of Cloud Infrastructures and Services (CIS).

The MISE selected Tiscali Italia's Villanova Project and, on 5 April 2022, completed the match making phase with pre-notification of the documentation to the European Community.

The Villanova Project aims at a major investment in research, development and innovation and first industrial deployment to build platforms that, aiming to help reduce the digital divide in rural areas, enable intelligent processing, analysis and aggregation of data from multiple sources through innovative artificial intelligence ("AI") systems and components deployed on new cloud-edge continuum infrastructures. A framework of modular applications will also be implemented to enable stakeholders (PA, citizens, companies, research institutes) to easily create innovative cloud-native services that take full advantage of large data sets and AI-based algorithms. The development and implementation of a marketplace containing reusable open-source components with modular functionalities will enable the creation of large vertical projects and services for the PA. In particular, thanks to the availability of a shared cloud platform, PAs located in rural areas will be able to use the same central digital services as the PA and have quick access to all the data contained in a single data lake. The implementation of cloud and edge computing nodes will enable the local PA to significantly reduce service management costs, increase security and provide a better experience for

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citizens. As part of the IPCEI Project, Tiscali has activated key collaborations at national and European level with other selected companies, resulting in the exchange of best practices and the creation of considerable synergies that could lead to the creation of a European cloud to support and safeguard Europe's economic and social development.

In 2022, Tiscali began a journey to accompany the digital transition of Italian schools, supporting the transformation of classrooms previously dedicated to frontal teaching processes into innovative, connected and digital learning environments. To this end, work has begun in various school complexes, starting in Sardinia. The project is to continue in 2022 and subsequent years in the other regions as well, taking advantage of the opportunities linked to the School 4.0 Plan, which provides over EUR 1.7 billion for the transformation of 100,000 traditional classrooms into innovative learning environments and for the creation of laboratories for the digital professions of the future in second-cycle schools. The Roadmap of the School 4.0 Plan sets out a procedure for allocating resources on the basis of a national plan for the distribution of funds to all Italian educational institutions. The schools will independently manage the actions for designing, setting up and using the new environments and laboratories according to a national timetable to be completed by 2024.

The development activities of the TOP Customers segment continued, and in particular, the contract for the technological upgrade of the IT infrastructure of a major banking institution, together with the continuation for the next few years of Facility Management, DR, Housing and Back Up connectivity services, the contracts for the management of the technological infrastructures of some important companies and sports clubs, and the development of Wi-Fi coverage services and cloud switchboards of some primary tourist facilities.

As part of its initiatives for the digital transition of Municipalities, Tiscali has consolidated its processes for activating connectivity services in areas of the country which have just been cabled in fibre with extreme speed as soon as the infrastructure reaches the area concerned for fibre activation. This has made it possible to offer many local authorities, starting with the fibre connectivity service, other services including the cloud switchboard and other services for the digital transformation of the authority.

In the first half of 2022, the Tiscali.it portal recorded average monthly traffic of more than 232 million pageviews and about 8.4 million unique browsers, continuing the strategy of enhancing the portal as a vehicle for e-commerce.

With regard to communication activities in the first half of 2022, performance-based campaigns on the web and sponsorship activities in the sports sector for the 2021/2022 season continued, with Cagliari Calcio of Serie B as Second Sponsor, Dinamo Basket of Serie A as Gold Sponsor and Olimpia Basket Milano as Connectivity Provider.

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During the first half of 2022, the implementation of Tiscali's network rationalisation project, launched in 2021 following the commercial agreements signed with TIM in November 2020, continued. The rationalisation of the network, in addition to allowing a reduction in infrastructure investments, will make it possible not only to lower connection and traffic management costs when fully operational, but also to accelerate the fibre migration process, with a consequent improvement in service quality and a reduction in the churn rate.

During the first few months of 2022, a negotiating table was opened with TIM, aimed at revising the previous Agreement, dictated by a proceeding opened by the Italian Regulatory Authority (AGCM). This revision also includes the remodulation of certain economic conditions underlying the commercial agreements signed in November 2020. To this end, on 15 July 2022, an agreement was signed with TIM (the so-called "Protocol Agreement"), which specifies the economic conditions subject to change. The impact of the change in the economic conditions will occur mainly starting from the second half of 2022. The content of the signed Protocol Agreement, accompanied by all the details, will be included in a new version of the Rationalisation Agreement, which the parties have undertaken to formalise by 30 September 2022.

It should be noted that the Protocol Agreement also includes an issue that is not directly related to the agreement in question, namely the partial write-off of Tiscali's debt to TIM in relation to the failure to reach the guaranteed minimum on 2021 accruals provided for in the latest version of the MVNO agreement signed with Tim in 2021. As a result, Tiscali's debt on this mobile offering is reduced from EUR 2.7 million to EUR 2 million, with the debt being spread in instalments over 36 months.

Lastly, in June 2022, as part of a Memorandum of Understanding of the "Prison Work" Programme born out of the collaboration between the Ministry of Justice and the Department for Digital Transformation, Tiscali, together with the contribution of other telephony and digital realities, inaugurated a laboratory at the Uta Prison (Cagliari) aimed at the regeneration of network terminal equipment with the intention of enhancing prison work in the telecommunications and ICT sector. The initiative involves 8 inmates and takes place in continuity with the "Rework Laboratories" Project conceived and implemented by the Linkem Group already in 2020 in collaboration with the Prison of Lecce and Rome Rebibbia. The activities are structured in two phases: the first consists of a specialised training programme at the end of which certificates are issued with the qualification of "Linkem and Tiscali electronic equipment remanufacturer"; the second provides the opportunity for inmates to sign a direct employment contract with Linkem S.p.A. and Tiscali S.p.A..

Half-Year Consolidated Financial Report as at 30 June 2022*Establishment of Vevisible*

At the beginning of July 2022, the Board of Directors of Tiscali S.p.A approved the establishment of a limited liability company, with the name Vevisible S.r.l., which will oversee developing the advertising concessionaire business as part of the Group. The Business Plan provides for the valorisation of the Tiscali.it portal and its network, with the development of all its unexpressed potential, including the high-margin advertising business. Vevisible will collect investments in favour of the Group's properties, but it will also open up to advertising sales for third parties, making use of a mix of cutting-edge technological features and a system of platforms and assets in synergy with each other that will enable it to stand out from its competitors through an innovative business model. At a corporate level, Vevisible S.r.l. is expected to have an initial share capital of approximately EUR 100 thousand, with Tiscali holding no less than 65-70%, represented by the assets that will be contributed to it. Discussions are currently underway with leading players in the media sector which have expressed their willingness to join the company structure, for the remaining share of capital.

Integration Project between the Tiscali Group and the retail branch of the Linkem Group

During the financial year 2021 and the first half of 2022, Tiscali has been working on the implementation of an industrial integration operation through a merger (hereinafter also referred to as the "Merger") by incorporation of Linkem Retail S.r.l., a company established in 2021 to which the retail business branch has been conferred by the parent Linkem S.p.A..

The purpose of the Merger is to integrate the Tiscali Group and the retail branch of the Linkem Group into a single corporate and commercial reality in order to develop synergies, consolidate and strengthen the market position: as a result, Tiscali will be the fifth operator in the fixed market and the first in the segment of Ultra Broadband access in FWA+FTTH technologies – the most innovative and promising – with an overall market share of 16.5% (Source: AGCOM data), strategically positioned to exploit the potential of FTTH and 5G FWA technologies.

The competitiveness of the market in which Tiscali operates has increased dramatically in recent years, with the entry of new operators (Sky, Poste Italiane, Iliad, and in 2022 Virgin) that have adopted 'market-breaking' pricing policies. In this context, with prices (and margins) progressively decreasing, Tiscali's choice (consistent with the market trend, in which operators are oriented towards aggregation) was to achieve, through the Merger, a higher scale, which would allow it to obtain a larger market share, additional financial resources to serve growth, important industrial synergies, and better absorption of fixed costs.

Furthermore, the Merger is intended to exploit the market and development opportunities related to the

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implementation of the National Recovery and Resilience Plan (“PNRR”) through the offer of fixed, mobile, 5G, cloud and smart city services dedicated to households, enterprises and public administrations. On 22 July 2022, following the fulfilment (and/or waiver) of the conditions of the merger, the Merger Agreement relating to the incorporation of Linkem Retail S.r.l. into Tiscali S.p.A. was stipulated, as well as the Transfer Agreement of the retail branch from Tiscali S.p.A. to Tiscali Italia S.p.A.. The purpose of the transfer is to bring all retail activities back to the same level, at substantially the same time as the completion of the Merger.

The effective date of the merger is 1 August 2022: the new Tiscali is born.

To service the Merger, Tiscali issued on 1 August 2022 to Linkem S.p.A., sole shareholder of Linkem Retail, 104,025,497 ordinary shares to service the exchange ratio, for a total amount of EUR 103,858,806. The newly issued shares, as of the date of approval of this Report, have not yet been admitted to listing.

The Share Capital, which amounted to EUR 81,655,159.37 as at 31 July 2022 after the conversion of the tenth tranche of the POC, increased as a result of the merger to EUR 185,513,965.37.

On the effective date of the Merger, the completion of the extraordinary transaction will contribute to the equity deficit existing as at 30 June 2022.

The new Tiscali will offer the best connectivity solutions for households and for the corporate and public administration market, aimed at a complete digital transformation based on fixed, mobile, 5G and cloud services.

Shareholding structure of Tiscali as a result of the Merger

On the effective date of the Merger, which took place on 1 August 2022: (i) Linkem holds a stake equal to 58.60% of Tiscali’s share capital, (ii) Amsicora S.r.l. holds a stake equal to approximately 3.15% of Tiscali’s share capital, (iii) Nice&Green S.A. holds a stake equal to 3.71% of Tiscali’s share capital, and (iv) Renato Soru holds a stake equal to approximately 1.78% of Tiscali’s share capital.

Timing of the operation

The key dates and activities of the Merger process, which began in December 2021 and ended on 1 August 2022 – the effective date of the Merger – are highlighted below:

30 December 2021 - The Boards of Directors of Tiscali S.p.A. and Linkem Retail S.r.l. – a company wholly owned by Linkem S.p.A. – approved the project of merger by incorporation of Linkem Retail S.r.l. in Tiscali S.p.A. As part of the operation, a Merger Agreement was signed on that date between

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Tiscali S.p.A., Linkem S.p.A. and Linkem Retail S.r.l., and a Shareholders' Agreement was signed between Amsicora, Mr. Soru and Linkem S.p.A.. The Board of Directors also approved the grouping of Tiscali S.p.A. shares (as described above) and the draft of the Service Agreement between Linkem S.p.A. and Linkem Retail, which regulates the terms and conditions for the supply of network services.

At the beginning of March 2022, in view of the Extraordinary Shareholders' Meeting of Tiscali called to approve the Merger, Linkem Retail instructed Georgeson to launch a proxy solicitation pursuant to Articles No. 135 *et seq.* of the Issuers' Regulations.

25 March 2022 – Deloitte & Touche S.p.A., independent advisor appointed by the Court of Cagliari, issued its Report on the fairness of the Exchange Ratio.

5 April 2022 – The Board of Directors of Tiscali S.p.A. approved the Draft Annual Report 2021 and the Supplementary Agreement to the Shareholders' Agreements between Amsicora, Mr. Soru and Linkem S.p.A. was signed.

11 April 2022 – Publication of the Information Document pursuant to Article No. 70 of the Regulation on Issuers ("RE"), in order to provide Tiscali's shareholders with the necessary information on the Merger, as a significant transaction pursuant to Annex No. 38 of the same RE.

22 April 2022 – Preliminary approval of the terms of the Combined Tiscali Post-Merger Business Plan (subject to the approval of the Merger and the signing of the Service Agreement) by the Board of Directors of Tiscali and the Board of Directors of Linkem.

Subsequent to 22 April, discussions began with the financial institutions in order to obtain their consent to the Merger Agreement and the renegotiation of certain terms of the contracts (the set of covenants) with outcomes that would allow the transaction to take place.

26 April 2022 – in this date:

- The Shareholders' Meeting of Linkem Retail S.r.l. approved the Merger project;
- The Extraordinary Shareholders' Meeting of Tiscali S.p.A. has approved the Merger project (and the consequent capital increase to service the Merger), as well as the regrouping of the Tiscali shares, the renewal of the POC for the additional amount of EUR 21 million and the related capital increase to service the same;
- The Shareholders' Meeting of Tiscali Italia approved the transfer of the business unit.

27 April 2022 – The Information Statement supplemented with financial data as at 31 December 2021

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and with the information on the Post-Merger Business Plan was filed on that date.

16 May 2022 – Tiscali’s Ordinary Shareholders’ Meeting approved the Financial Statements as at 31 December 2021 and appointed the new Board of Directors. The same Shareholders’ Meeting resolved to issue a Mandatory Convertible Bond reserved for N&G in the amount of EUR 90 million, to be issued in tranches of EUR 5 million each. The proceeds from this Bond issue will be used to implement the 2022-2025 Business Plan of the Post-Merger Company.

27 May 2022 – The terms and conditions of the Services Agreement were approved by the Tiscali Related Parties Committee.

Subsequently, once the period of opposition to the Merger on the part of the company creditors was over, the trade union consultations were completed, and consent to the Merger was obtained from the Financial Institutions, the following steps were taken:

3 June 2022 – Re-grouping of Tiscali shares

On 3 June 2022, in execution of the resolution passed by the Extraordinary Shareholders’ Meeting of Tiscali on 26 April 2022, the Tiscali ordinary shares were regrouped at a ratio of 1 new ordinary share for every 100 existing ordinary shares. The official price of Tiscali’s Ordinary Shares recorded on Euronext Milan on the day of 3 June 2022 to value the fractions generated by the application of the regrouping ratio was EUR 0.011.

8 July 2022 – Linkem and Tiscali’s Boards of Directors approved the 2022-2025 Business Plan post integration between Tiscali Group and the retail branch of Linkem Group.

Furthermore, on that date, the Board of Directors resolved to waive the fulfilment of the effectiveness conditions of the Merger Agreement, represented by the preparation of the Information Statement and the admission to trading on the regulated market of the newly issued Tiscali shares resulting from the Merger. Linkem has also renounced to the fulfilment of these conditions, making itself available to receive unlisted shares after the Merger on the assumption that the preliminary investigation for the publication of the Information Statement for the admission of the shares to trading will be in any case completed in the first available time window after the approval of Tiscali’s Half-Year Report.

22 July 2022 – *The Merger Agreement and the Guarantee Agreements were signed*

Merger Agreement

On July 22, the Merger Agreement related to the incorporation of Linkem Retail S.r.l. into Tiscali S.p.A. was signed. The Transfer Agreement of the retail branch from Tiscali S.p.A. to Tiscali Italia S.p.A. was also signed on that date.

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Guarantee Agreement

A specific Guarantee and Indemnity Agreement (hereinafter also referred to as the “Guarantee Agreement”) was signed on July 22, 2022, subject to approval by the Company’s Board of Directors. Tiscali and Linkem have negotiated such Agreement on the basis of the results of the due diligence activities mutually carried out with the assistance of legal, tax and financial advisors. The purpose of the Guarantee Agreement is to regulate and discipline the set of representations and warranties, together with the related indemnification obligations, that Tiscali and Linkem intended to release to each other in relation to the integration transaction in line with market practice for transactions of this nature.

27 July 2022 – Framework Service Agreement

The Framework Agreement between Linkem and Linkem Retail has been signed on July 27, subject to the favourable opinion of Tiscali’s Related Party Transaction Committee, concerning the technical and economic conditions for the supply – in wholesale modality and without exclusivity bond – by Linkem in favour of Linkem Retail (a) of SIMs and devices necessary for the provision of connectivity service to end users having LTE and 5G specifications and functionalities compatible with Linkem’s network as well as what is provided for by applicable regulations; as well as (b) of the FWA connectivity service provided by Linkem in favour of Linkem Retail, which will resell it to its end users belonging to the consumer and SOHO (Small Office Home Office) segment and to the commercial business segment, and of the related ancillary services (hereinafter also referred to as the “Framework Agreement”). The Committee’s opinion was due to the circumstance that, as a result of the Merger, the Framework Agreement would then regulate the supply to Tiscali Italia of FWA services by Linkem (a company that, as a result of the Merger, controls Tiscali S.p.A.). Therefore, the Company deemed it appropriate to proceed with the application of the RPT Procedure.

1 August 2022 – At the same time (i) the transfer of Linkem’s branch of business to Linkem Retail, (ii) the Merger, and (iii) the transfer of the branch of business to Tiscali Italia become effective. To service the Merger, Tiscali issued to Linkem S.p.A., sole shareholder of Linkem Retail, n. 104,025,497 ordinary shares assigned to Linkem S.p.A. to serve the exchange ratio, for a total amount equal to Euro 103,858,806. These shares are unlisted at the date of approval of this Report.

Declarations pursuant to Article No. 2343-quater, third paragraph, of the Civil Code

On 1 August 2022, the Board of Directors of Tiscali Italia S.p.A. met for the purpose of issuing the declarations pursuant to Article No. 2343-quater, third paragraph, of the Italian Civil Code with reference to the transfer of the Linkem retail business unit from Tiscali S.p.A. to Tiscali Italia S.p.A..

Half-Year Consolidated Financial Report as at 30 June 2022Advisors to the Operation

In connection with the transaction, Tiscali was assisted by: CC & Soci, as financial advisor, Equita SIM S.p.A., which issued a fairness opinion on the fairness from a financial point of view of the exchange ratio, BDO which carried out accounting due diligence and the law firm Chiomenti for legal and tax profiles. Linkem S.p.A. and Linkem Retail have been assisted by Banca Akros S.p.A. as financial advisor, that issued a fairness opinion on the fairness from the financial point of view of the exchange ratio, Studio Spada Partners for fiscal and accounting due diligence, and Gianni & Orioni law firm for legal profiles.

2022-2025 New Business Plan, New Senior Loan Amendment Agreements and New POC*2022-2025 Business Plan*

On 8 July 2022, the Board of Directors reviewed and approved the Tiscali Group's Business Plan that considers the contribution of the retail activities of the Linkem group, which was finalised on 1 August 2022 (hereinafter also referred to as the "New Business Plan").

As a result of the Merger, the forecast information contained in the previous Business Plan approved on 17 September 2021 by the Board of Directors and prepared pursuant to Article No. 67, paragraph 3, letter d) of the Bankruptcy Law, disclosed to the market on the same date, must be considered outdated and no longer valid.

The New Business Plan contains economic, equity and financial projections of the Company and the Group for the prospective 2022-2025 timeframe and considers the impact of the Merger. Considering that the Merger is effective as of 1 August 2022, in the current financial year the Business Plan will only benefit from the economic results attributable to the Merger for five months.

The drafting of the New Business Plan started from the analysis of the Merger and the context, and then developed the strategic direction of the Tiscali Group following the integration. The main industrial rationales of the Merger considered are: (i) The generation of complementary revenues on the different technologies, both fixed and mobile; (ii) The support of consolidated commercial relationships with operators; (iii) A greater scale to cope with the competitive scenario and to facilitate access to PNRR funds; and (iv) Possible cost and revenue synergies, thanks to the greater size.

On the other hand, from a financial point of view, the main elements considered were: (i) The greater ability to attract capital and equity investment; (ii) The greater ease of access to credit through banks or financial institutions; (iii) An increase in bargaining power on current debt; and (iv) The immediate

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reduction of financial leverage.

Strategically speaking, the New Business Plan provides for the development of four main pillars:

(i) TELCO Area: Tiscali aims at consolidating its current positioning, thanks to an integrated offer of fixed and mobile services;

(ii) MEDIA&TECH Area: Tiscali aims at strengthening and enhancing the Tiscali.it portal through the development of new contents, products and value-added services;

(iii) FUTURE COMMUNITIES Area: Tiscali aims at promoting the development of communities based on the adoption of intelligent and value-added services, through the creation of vertical tools, platforms and services;

(iv) CLOUD Area: Tiscali aims at developing Cloud infrastructures and services for enterprises and Public Administration, also thanks to the support of PNRR funds and EU funding.

Furthermore, the New Business Plan provides for a transversal, functional pillar aimed at effectively integrating organisational assets with the objective of generating significant industrial synergies.

The New Business Plan is supported by a Comfort Letter issued on 15 July by Professor Giovanni Naccarato and supersedes the previous plan sworn pursuant to Article No. 67 of the Financial Law.

Please note that the approval of the Industrial Plan by the Boards of Directors of Tiscali and Linkem was a condition precedent to the Merger.

Senior Loan Amendment Agreements – 22 July 2022

During the first half of 2022, as the Merger process progressed, Tiscali opened negotiations with the Financial Institutions, aimed at revising the Amendment Agreements signed on 7 October 2021, in order to incorporate the new Merger scenario, the consequent revision of the Business Plan and the related set of covenants into the contractual terms and conditions. Negotiations were concluded on 22 July 2022 with the Banks' approval of the Merger transaction and the signing of agreements (the "Amendment Agreements") that include, as provided for in the New Business Plan, the prepayment of the Senior Loan for EUR 2.6 million in September 2022 and for EUR 1.3 million divided between January and February 2023, as well as the increase in the interest rate applied (1% and 1.25% respectively) to 2%.

N&G Mandatory Convertible Bond – New POC

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On 16 May 2022, the Shareholders' Meeting of Tiscali S.p.A. resolved to issue a mandatory convertible bond reserved for Nice&Green S.A., for an amount equal to EUR 90 million, to be issued in several tranches pursuant to Article No. 2420-bis of the Italian Civil Code, and the consequent share capital increase against payment, in one or more tranches and in divisible form, with the exclusion of the option right pursuant to Article No. 2441, paragraph 5, of the Italian Civil Code for a total amount, including any share premium, of maximum EUR 90.000,000, for the exclusive and irrevocable service of the conversion of the New POC, through the issue of Tiscali ordinary shares, without par value, with regular dividend rights and the same characteristics as the Tiscali ordinary shares outstanding at the issue date.

In particular, on 5 April 2022, Tiscali entered into an investment agreement with N&G concerning a programme for the financing of Tiscali through the issuance of a mandatory convertible bond into Tiscali ordinary shares, consisting of convertible bonds with a nominal amount equal to EUR 100,000 each, for a total maximum amount of EUR 90,000,000.00 (with the possibility of renewal under the same terms and conditions) reserved to the Investor (hereinafter also referred to as the "New POC").

The Investment Agreement is in continuity with the relations already existing with N&G. In particular, it should be noted that, on 14 May 2021, the Company entered into an investment agreement with the Investor relating to the subscription of a convertible and convertible bond for a total amount equal to EUR 21 million, divided into seven tranches, with the option to renew for a further total amount of EUR 21 million. In this regard, following the issue of the seventh and final tranche of the bond, the Company exercised its right to renew the loan for a further seven tranches (hereinafter also referred to as the "Second POC"), for a total amount of a further EUR 21 million. As at the date of this Report, Tiscali has drawn and converted three tranches of the Second POC.

The New Investment Agreement provides for the issuance of the New POC, in a period of 21 months starting from the seventh open market day following the completion and effectiveness of the merger by incorporation of Linkem Retail S.r.l. in Tiscali, through the subscription of a maximum of 18 tranches, amounting to EUR 5,000,000. Each party shall have the right to request the renewal of the Investment Agreement, under the same terms and conditions, in the three months before the end of the bond issue period; the acceptance of the request shall be received within 5 working days from the request.

In addition, on 5 April 2022, in the context of the new investment agreement, Linkem S.p.A. and the Investor have signed a share loan agreement through which Linkem has committed to lend to the Investor - free of charge, without any trading purpose - a sufficient number of Tiscali shares that the Investor can borrow to anticipate the issuance of the new Tiscali shares in order to receive a number of shares at least equal to 120% of the amount of each tranche equal to EUR 5,000,000.

For further information on the New POC, please refer to the Explanatory Report published on the

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Company's website. The Explanatory Report has been drafted pursuant to Article No. 125-ter of Legislative Decree No. 58/1998, as subsequently amended and integrated, and to Article No. 72 of the regulation adopted by CONSOB resolution No. 11971 of 14 May 1999 and subsequent additions and amendments, in order to illustrate the proposal to the Extraordinary Shareholders' Meeting of Tiscali on the issue of the New POC.

Research and Development

No research and development activities were carried out during the first half of 2022.

4.5 Analysis of the economic, financial and assets situation of the Group

4.5.1 Economic situation of the Group

Consolidated Income Statement	1 st semester 2022	1 st semester 2021
<i>(EUR mln)</i>		
Revenue	64.0	72.9
Other income	13.2	1.9
Purchase of external materials and services	51.5	51.5
Personnel costs	9.6	8.9
Other operating expense (income)	0.2	0.0
Write-downs accounts receivable from customers	2.9	2.5
Gross Operating Result (EBITDA)	12.9	11.9
Restructuring costs and other provisions	2.6	(0.1)
Depreciations & amortizations	22.9	20.7
Operating result (EBIT)	(12.6)	(8.6)
Result from the investments evaluated at equity method	(0.2)	(0.2)
Financial Income	0.0	0.0
Financial Expenses	3.8	3.7
Income (loss) before tax	(16.6)	(12.5)
Taxation	0.0	0.0
Net result from operating activities (ongoing)	(16.6)	(12.5)
Result from held for sale and discontinued operations	0.0	0.0
Net result for the period	(16.6)	(12.5)
Minority interests	0.0	0.0
Group Net Result	(16.6)	(12.5)

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Profit and Loss Statement of the Group	1st semester 2022	1st semester 2021
<i>(EUR mln)</i>		
Revenue	64.0	72.9
Access Broadband revenues	50.4	57.5
<i>of which fixed Broadband</i>	46.6	53.1
<i>of which Broadband FWA</i>	3.7	4.4
Revenues from MVNO	8.4	7.7
Business service revenues and Wholesale	2.9	3.9
<i>of which business service</i>	2.7	2.7
<i>of which Wholesale</i>	0.1	1.2
Media and value-added service revenues	0.7	1.5
Other revenues	1.6	2.4
Gross operating margin	17.3	27.4
Indirect operating costs	14.4	14.9
Marketing and sales	1.3	1.2
Personnel costs	9.6	8.9
Other indirect costs	3.6	4.8
Other (income) / expenses	(13.0)	(1.8)
Write-down of receivables	2.9	2.5
Gross Operating Result (EBITDA)	12.9	11.9
Restructuring costs and other provisions	2.6	(0.1)
Depreciations & amortizations	22.9	20.7
Operating result (EBIT)	(12.6)	(8.6)
Net Result pertaining to the Group	(16.6)	(12.5)

In the comments below, non-recurring items have been used to refer to accounting effects of a non-ordinary nature pursuant to CONSOB Resolution No. 15519 of 27 July 2006 (hereinafter also referred to as “Non-Recurring Items”). Details of these items are provided in the notes to the financial statements in the section “Non-Recurring Transactions”.

Income Trend for the Period

EBITDA for the half-year was EUR 12.9 million, compared to EUR 11.9 million for the six months ended 30 June 2021, an improvement of 8.6%. The change of EUR 1 million can be broken down as follows:

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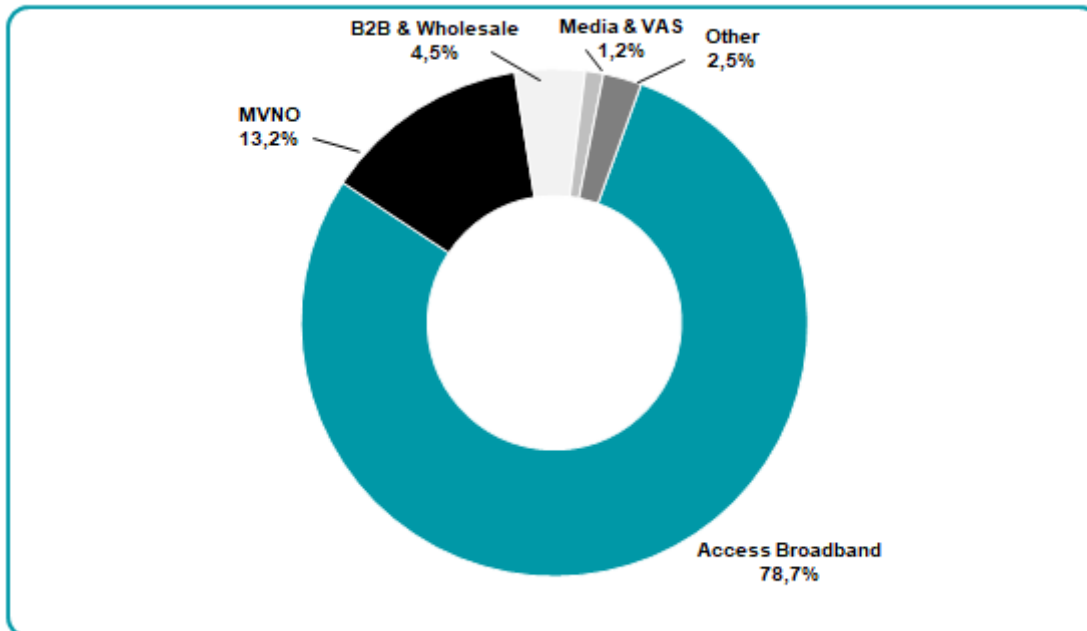
- A deterioration, net of Non-Recurring Items, of EUR 9 million;
- A higher positive impact of Non-Recurring Items in the first half of 2022 in the amount of EUR 10 million.

The operating result (EBIT), net of provisions, write-downs and restructuring costs, was a negative EUR 12.6 million, a deterioration from the 30 June 2021 figure of a negative EUR 8.6 million. The change in EBIT compared to the comparison period was also affected by a higher impact of Non-Recurring Items of EUR 6.9 million. The decrease in the period of EUR 3.9 million was in fact the result of the combined effect of:

- A deterioration of the operating result net of Non-Recurring Items of EUR 10.9 million;
- A higher positive impact of Non-Recurring Items in the first half of 2022 in the amount of EUR 6.9 million.

The Group's net loss amounted to EUR 16.6 million, a decrease of EUR 4.1 million compared to the first half of 2021, which was a negative EUR 12.5 million. This change resulted from the combined effect of:

- A deterioration in the Net Result, net of Non-Recurring Items, of EUR 11 million;
- A higher positive impact of Non-Recurring Items in the first half of 2022 in the amount of EUR 6.9 million.

Revenues by Business Area
Breakdown of revenues by business line and access mode


Source: Tiscali

Broadband Access

This segment generated revenues in the first half of 2022 of EUR 50.4 million (EUR 46.6 million from “Fixed Access” and EUR 3.7 million from “Fixed Wireless Access”), a decrease of 12.4% compared to the figure of 30 June 2021 (EUR 57.5 million).

The change is attributable to the following elements:

- Decrease in Fixed Broadband of EUR 6.4 million (12.1%), attributable to a decrease in ARPU, in addition to a decrease in the number of customers (from 364 thousand units in H1 2021 to 319 thousand units in H1 2022).

The number of Fibre customers increased significantly in the period, from about 250 thousand units as at 30 June 2021 to about 276 thousand units as at 30 June 2022, confirming the progressive shift in demand towards Fibre connections;

- Decrease in Broadband Fixed Wireless revenues of about EUR 0.7 million compared to the first half of 2021, due to the decrease in the customer portfolio (from about 36 thousand units as at 30 June 2021 to about 31 thousand units as at 30 June 2022).

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MVNO

Mobile revenues of EUR 8.4 million as at 30 June 2022 showed an increase of 10% compared to the half-year 2021 figure of EUR 7.7 million.

The active customer base shows an increase of 9% compared to the first half of 2022, from approximately 248,000 at 30 June 2021 to approximately 270,000 at 30 June 2022. In terms of average number/month over the period, the increase in customers is 4.9% (average customers in the first half of 2022 approximately 265 thousand compared to approximately 252 thousand average customers in the first half of 2021).

Business and Wholesale Services

Revenues from corporate services (VPN services, housing, hosting, domains and leased lines) and from wholesale of network infrastructure and services (IRU, 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) amounted to EUR 2.9 million in H1 2022, down 27% compared to EUR 3.9 million in H1 2021.

Media

As at 30 June 2022, media segment revenue (mainly related to the sale of advertising space) amounted to approximately EUR 0.7 million and decreased by EUR 0.7 million compared to the figure for the first half of 2021 (EUR 1.5 million) due to the reduction in advertising sales.

Other Revenues

Other Revenues amounted to approximately EUR 1.6 million in H1 2022, down by EUR 0.8 million compared to the equivalent figure for H1 2021 (EUR 2.4 million).

Cost Trend

Indirect operating costs in the first half of 2022 amounted to EUR 14.4 million, down EUR 0.4 million compared to the first half of 2021 (EUR 14.9 million).

In particular:

- Marketing costs amounted to approximately EUR 1.3 million, up EUR 0.1 million compared to

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the half-year 2021 figure of EUR 1.2 million;

- Personnel costs amounted to EUR 9.6 million (12.9% of revenues), up from the half-year 2021 figure of EUR 8.9 million (12.2% of revenues), due to lower capitalisation of personnel costs of EUR 0.3 million, lower relief from social security contributions of EUR 0.2 million and higher ancillary personnel costs of EUR 0.2 million;
- Other indirect costs amounted to about EUR 3.6 million and decreased by EUR 1.2 million compared to the first half of 2021.

Other Income/Expenses

Other income (net of other expenses), amounting to EUR 13 million, includes income from a settlement with one of the largest wholesale operators, signed on 30 June 2022, resulting in the billing of an amount of EUR 10 million as compensation for inefficiencies. This item also includes the accrued portion of tax credits on investments provided for by the “Bonus Sud” and Industria 4.0 Regulations for a total amount of EUR 2.1 million and other net proceeds from the write-off of debt positions for about EUR 1.2 million.

Other items

The provision for bad debts amounted to EUR 2.9 million in H1 2022, compared to EUR 2.5 million in H1 2021. The ratio of this item to revenue increased from 3.4% as of 30 June 2021 to 4.6% as of 30 June 2022. This increase is attributable to terminations due to delinquencies in May and June 2022.

Depreciation and amortisation for the period amounted to EUR 22.9 million, up EUR 2.3 million from EUR 20.7 million in H1 2021.

In H1 2022, restructuring costs and other provisions amounted to EUR 2.6 million, up EUR 2.7 million from the positive EUR 0.1 million recorded in H1 2021. This item includes a provision for risks of EUR 2 million related to the closure of the dispute with *Engineering Sardegna S.r.l.*

Operating profit (EBIT), net of provisions, write-downs and restructuring costs, was negative EUR 12.6 million, compared to the first-half 2021 figure of negative EUR 8.6 million. The half-year 2022 figure, as mentioned above, is impacted by non-recurring items of EUR 8 million, while in the half-year 2021 non-recurring items were zero.

Net financial expenses amounted to EUR 3.8 million, compared to EUR 3.7 million in H1 2021.

Financial income was nil.

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4.5.2 Equity and Financial Position of the Group

Consolidated Statement of Equity and Liabilities	30 June 2022	31 December 2021
<i>(EUR mln)</i>		
Non-current assets	98.7	106.8
Current assets	36.4	36.5
Total Assets	135.1	143.2
Net equity of the Group	(83.5)	(81.6)
Total net equity	(83.5)	(81.6)
Non-current liabilities	105.2	108.6
Current liabilities	113.4	116.3
Total Net equity and Liabilities	135.1	143.2

Assets
Non-current Assets

Non-current assets as at 30 June 2022 amounted to EUR 98.7 million (EUR 106.8 million as at 31 December 2021) and included property, plant and equipment and intangible assets, rights of use and customer acquisition costs totalling EUR 94.2 million (a decrease of EUR 8 million compared to 31 December 2021) and financial assets (including equity-accounted investees) totalling EUR 4.5 million, in line with the figure as at 31 December 2021.

- The EUR 8 million decrease in fixed assets can be broken down into the following events:
- Investments of EUR 15.1 million, of which EUR 6.3 million for customer acquisition and service activation costs and EUR 8.8 million for network infrastructure and equipment
- Depreciation and amortisation for the period of EUR 22.9 million.

Current Assets

Current assets as at 30 June 2022 amounted to EUR 36.4 million (EUR 36.5 million as at 31 December 2021) and mainly include:

- Trade receivables of EUR 7.7 million, compared to EUR 8.8 million as at 31 December 2021;
- Cash and cash equivalents of EUR 5.9 million (EUR 11.6 million as of 31 December 2021);
- Other current receivables and sundry assets of EUR 22.7 million (EUR 15.9 million as of 31 December 2021). This item includes: (i) tax credits allocated on investments in relation to the

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Bonus Sud and Industria 4.0 Regulations for EUR 5.2 million. The portion of receivables accruing in the first half of 2022, recognised under Other income, is EUR 2.1 million; (ii) receivables from wholesale operators for EUR 10 million; (iii) receivables from Infratel for voucher contributions for EUR 1.2 million; (iv) prepaid expenses relating to the deferral of service costs of EUR 3.8 million; (v) receivables from the tax authorities for VAT of EUR 2.1 million; (vi) other receivables from the tax authorities and social security institutions of EUR 0.2 million; (vii) sundry receivables and advances to suppliers for the remaining amount of EUR 0.2 million

- Tax receivables of EUR 3 thousand (unchanged from 31 December 2021).

Shareholders' Equity

Consolidated Shareholders' Equity was negative EUR 83.5 million as of 30 June 2022, compared to a negative EUR 81.6 million as of 31 December 2021.

The change of EUR 1.9 million is attributable to the following elements:

Loss for the period of EUR 16.6 million;

Capital increase as a result of the conversion of the five tranches of the bond loan subscribed by Nice & Green S.A. for a total of EUR 15 million;

Decrease of about EUR 0.3 million for charges related to the conversion of the POC tranches.

Liabilities

Non-current Liabilities

Non-current liabilities as at 30 June 2022 amounted to EUR 105.2 million compared to EUR 108.6 million as at 31 December 2021. The decrease is attributable to:

- A decrease of EUR 3.4 million for the items related to financial indebtedness (for which reference should be made to the section below on the Group's Financial Position)
- A decrease of EUR 1.3 million in other non-current liabilities;
- An increase in the reserve for severance indemnities for EUR 0.3 million;
- An increase in the provision for risks and charges for EUR 1 million.

Current Liabilities

Current liabilities amounted to EUR 113.4 million compared to EUR 116.3 million as at 31 December 2021.

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The decrease of EUR 2.9 million is due to: (i) A decrease of EUR 3 million for payables related to the convertible bond loan subscribed by Nice & Green SA; (ii) An increase of EUR 1.4 million for items related to financial indebtedness (for which please refer to the section below on the Group's Financial Position); (iii) An increase of EUR 1.3 million in payables to suppliers; (iv) A decrease of EUR 2.6 million in other current liabilities.

The decrease in Other current liabilities, in the amount of EUR 2.6 million, is due to the combined effect of: (i) A decrease of EUR 0.4 million in deferred income related to the deferral of the long-term portion of tax credits for EUR 5.2 million recognised under current assets (see description under "Current Assets"); (ii) A decrease in other deferred income for EUR 1.1 million; (iii) A decrease in payables to tax authorities and social security institutions of EUR 0.6 million; (iv) A decrease in other short-term payables of EUR 1.2 million; (v) A increase in accrued expenses of EUR 0.7 million related to employees.

As at 30 June 2022, net trade payables past due (net of payment plans agreed with suppliers, accounts receivable and in dispute with the same suppliers) amounted to EUR 14.8 million (of which EUR 2.5 million past due by more than 12 months). At the same date, overdue financial payables (net of credit positions) amounted to approximately EUR 0.8 million.

Overdue tax payables amount to about EUR 4.5 million (of which EUR 3.5 million are overdue by more than 12 months). Overdue social security payables amounted to EUR 0.1 million.

As at 30 June 2022, payment reminders had been received in the ordinary course of business. As of that date, the main payment reminders received by the Company, following the settlement of certain positions, amounted to a total of EUR 2.7 million, of which the residual unpaid, as they are under negotiation, objection or instalment plans, amounted to EUR 1 million.

Financial Situation of the Group

As at 30 June 2022, the Tiscali Group had cash and cash equivalents of EUR 5.9 million (EUR 11.6 million as at 31 December 2021), while Net Financial Debt at the same date was negative EUR 88.7 million (EUR 88 million as at 31 December 2021).

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Net Financial Position	Note	30 June 2022	31 December 2021
<i>(EUR 000)</i>			
A. Cash and bank deposits		5.9	11.6
B. Cash equivalents			
C. Securities held for trading			
D. Cash and cash equivalents (A) + (B) + (C)		5.9	11.6
E. Current financial receivables			
F. Non-current financial receivables		0.8	0.7
G. Current bank payables		2.1	2.1
H. Current portion of bonds issued	(1)	3.0	6.0
I. Current part of long-term loans	(2)	3.1	0.2
J. Other current financial payables	(3)	7.3	8.8
K. Current financial indebtedness (G) + (H) + (I) + (J)		15.5	17.1
L. Net current financial indebtedness (K)-(D)-(E)-(F)		8.8	4.7
M. Non-current bank loans	(4)	68.5	70.2
N. Bonds issued			
O. Other non-current financial payables	(5)	11.3	13.1
P. Non-current financial indebtedness (M)+(N)+(O)		79.9	83.3
Q. Net financial indebtedness (L)+(P)		88.7	88.0

Notes:

- (1) The item related to the Convertible Bond refers to the issue of the tenth tranche of the "POC" converted into Tiscali ordinary shares on 29 July 2022;
- (2) This item includes the current portion of the Senior Lenders debt for EUR 3.1 million;
- (3) This item includes the following items: i) the short-term portion of finance lease payables related to network infrastructure investments and capitalised lease contracts in application of IFRS 16 totalling EUR 6.3 million (including the short-term portion of the Sa Illetta lease contract in application of IFRS 16 for EUR 2.3 million); ii) payable to Sarda factoring for EUR 1 million
- (4) This item includes the long-term portion of the payable to Senior Lenders for EUR 65 million;
- (5) This item includes the long-term portion of finance lease payables related to network infrastructure investments and capitalised lease contracts in application of IFRS 16 for a total of EUR 11.3 million (including the short-term portion of the Sa Illetta lease contract in application of IFRS 16 for EUR 8.8 million).

The above table includes security deposits under "Other liquid assets" and "Non-current financial receivables". For the sake of completeness, we also report below the reconciliation of the above net financial indebtedness with the net financial indebtedness prepared in light of CONSOB Attention Notice No. 5/21 of 29 April 2021 and reported in the Explanatory Notes.

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	30 June 2022	31 December 2021
<i>(EUR mln)</i>		
Consolidated net financial debt	88.7	88.0
Non-current financial receivables	0.8	0.7
Long-term trade payables and instalment tax payables	12.2	11.7
Consolidated net financial debt prepared on the basis of Consob communication No. 5/21 dated 29 April 2021	101.6	100.5

It should also be noted that the amount of trade payables and payables to other parties overdue by more than 12 months, as at 30 June 2022, was EUR 6 million, compared to EUR 7.8 million as at 31 December 2021. It should be noted that the Company's severance indemnities as at 30 June 2022 amounted to EUR 2.7 million, compared to EUR 2.6 million recognised as at 31 December 2021.

4.6 Events after the end of the first half of FY 2022

8 July 2022 – Outcome of the Board meeting

On that date, the Company's Board of Directors: (i) Approved the 2022-2025 Business Plan post-integration between Tiscali Group and the retail branch of Linkem Group; (ii) Acknowledged the positive conclusion of the discussions with the Senior Creditors of the Group and the reaching of an agreement on the changes to be made to the financing contracts and on the waivers necessary to finalise the integration operation; (iii) Approved the framework agreement that will regulate the conditions of the supply – in wholesale mode and without any exclusivity constraint – of the FWA service from Linkem to Tiscali Italia; (iv) Approved the Guarantee and Indemnity Agreement between Tiscali and Linkem, which regulates and governs the set of representations and warranties issued by the parties in relation to the integration operation; (v) Waived the conditions precedent to the effectiveness of the merger deed; (vi) Approved the establishment of Vevisible, the new subsidiary company that will focus on the Group's promotion and advertising activities.

22 July 2022 – The new Tiscali is born

On that date, the Merger Agreement relating to the incorporation of Linkem Retail S.r.l. was stipulated. Thanks to the Merger, effective as of 1 August 2022, Tiscali definitively overcomes the plan certified pursuant to Article No. 67 of the Financial Law and projects itself into the future of the new industrial reality that will exploit all the potential and assets of the Tiscali Group and the Linkem Group.

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1 August 2022 – Change in Share Capital

On that date, the following were issued:

- No. 4,497,751 new ordinary shares, no par value, listed with ISIN IT0005496473, by virtue of the conversion requested by Nice&Green S.A. of the tenth tranche constituted by No. 30 bonds of the mandatory convertible bond subscribed by N&G on July 24, 2022, and
- No. 104,025,497 new ordinary shares, no par value, unlisted with ISIN IT0005496481 coming from the capital increase to service the merger by incorporation of Linkem Retail srl in Tiscali S.p.A. in execution of the Merger Agreement. The aforesaid Merger became effective on 1 August 2022.

1 September 2022 – Tiscali invests in Connecting Project

On that date, Tiscali announced its investment in Connecting Project, an Italian company specialised in offering integrated, high value-added solutions dedicated to telecommunications retail operators.

The Tiscali Group, through its operating subsidiary Tiscali Italia S.p.A., has initiated this strategic corporate transaction, aimed at creating a new offering segment dedicated to telecommunication services, and opening up a new market opportunity capable of steering the Group's entrepreneurial path towards the profile of technology enabler, addressing the world of telecommunication services retailers with a dedicated and inclusive offer, including design, technology and specialised assistance.

Thanks to this investment, the Tiscali Group will be able to offer to the retail market integrated solutions based on the best available connectivity, voice, cloud, software and CRM services, through a simple one stop shop model able to provide a retail operator with all the tools to be competitive in the TLC market.

Connecting Project was established in 2006, offering the TLC market its high level of technological and regulatory know-how, providing operators in the sector with highly professional services for the design of telecommunication, voice and data networks, and becoming over time a point of reference in the market with the formation of a team of excellences that supports customers from contractual and regulatory compliance aspects to the more strictly technical aspects of network design, implementation and management.

Specifically, Tiscali Italia S.p.A, which has been assisted in the negotiation and in the drafting of the agreements by the law firm Gianni & Origoni, has signed a Preliminary Sale and Purchase Agreement which provides for the purchase of a percentage equal to 40% of the Share Capital of Connecting Project, for an amount equal to EUR 1.7 million, and which also provides for an option, exercisable by Tiscali Italia until the Shareholders' Meeting which will approve the financial statements of Connecting

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Project for the year 2025, for the purchase of a further portion equal to 30% of the Share Capital of the company, at a price equal to EUR 1.5 million. In case of exercise of the aforesaid option, the selling shareholder will have the right to sell to Tiscali also the residual portion of capital, equal to 30% of the same, at a price equal to EUR 750,000.

4.7 Business Outlook

The implementation of the Joint Business Plan has begun following the completion of the Merger Agreement between Tiscali S.p.A. and Linkem Retail. The Business Plan will exploit the full potential and assets of the two groups. In particular, the goal of the 'new' Tiscali is to become a digital media company able to offer:

- The best connectivity solutions for retail consumer and business customers;
- A wholesale solution for the telecom operator market that can make the most of the IP network assets owned by Tiscali;
- An "all-news" portal and vertical portals focused on specific topics;
- Public-private partnership projects to support the digitalisation needs of the Public Administration, through its subsidiary 3P Italia S.p.A;
- Products for Smart Tourism, through the investee Aetherna S.r.l.;
- Cloud and datacenter services, through its proprietary infrastructure.

The implementation of this Plan aims to achieve a positive free cash flow and profit in the financial year 2025.

4.8 Main risks and uncertainties to which Tiscali S.p.A. and the Group are exposed

Risks related to the general economic situation

Tiscali's economic and financial situation is influenced by the various factors that make up the macroeconomic framework, such as changes in GDP (Gross Domestic Product), savers' confidence in the economic system and interest rate trends.

The COVID-19 pandemic contributed to a progressive weakening of the economic system, coupled with a contraction of disposable income for households, reducing the general level of consumption.

However, the Telecommunications sector was not significantly impacted, given the significant role played by the increase in demand for connectivity by households and businesses, due to the increase

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in activities carried out remotely and/or through teleworking.

In this context, it should be noted that Tiscali, like other operators in the sector, did not suffer any significant economic or financial impact from the pandemic.

Risks related to the Russia-Ukraine conflict

The armed conflict between Russia and Ukraine, which erupted in the first half of 2022, threw the global macroeconomic system, already suffering from two years of pandemic, into a state of crisis, with major repercussions on global value chains. In particular, the outbreak of the conflict triggered a global supply shock brought about by sharp increases in the prices of raw materials, energy such as oil and gas, and the embargoes imposed as part of the sanctions, contributed to further exacerbating inflation rates by significantly reducing growth expectations in many countries. A sharp increase in energy prices directly affects the consumer price index, generating further effects that will eventually be reflected in final consumption, hitting the most vulnerable populations in low-income countries the hardest. In order to stem the strong pressures on prices, many Central Banks such as the European Central Bank and the Federal Reserve have adopted very restrictive monetary policies, distancing themselves considerably from the supportive manoeuvres adopted during the pandemic crisis, consequently weighing on the growth of the real economy¹.

The Italian macroeconomic context was significantly affected by the conflict between Russia and Ukraine, precisely because of its significant dependence on foreign energy resources.

In this regard, the Company has constantly monitored the effects of the conflict in Ukraine on the performance of its business, assessing all potential risks, such as cyber-attacks, interruption of service supplies, price increases, as well as the necessary corrective measures. As far as the economic and financial situation is concerned, at the moment, the Company has not detected any significant impact on its business activities, thanks to a series of actions implemented to improve and mitigate any risks. In particular,

- The Company constantly implements controls aimed at guaranteeing the operation of its network and information systems, as well as the continuity and security of its servers, hardware and software, investing adequate resources in order to prevent damage or malfunctioning of IT tools and processes;
- The Company has no relations with Russian or Ukrainian business partners or related to them that could hinder compliance with supply agreements due to the conflict or be subject to the

¹ "War in Ukraine: implication for the ECB". European Parliament. Policy Department for Economic, Scientific and Quality of Life Policies Directorate-General for Internal Policies. June 2022.

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application of sanctions and restrictions;

- The Company constantly monitors the requirements set forth in the various Compensation Decrees issued by the Government in order to avail itself of energy tax credits;
- The Company has progressively and steadily undertaken actions aimed at increasing the energy efficiency of its plants since 2020, achieving an increase in efficiency over the same time periods;
- The Company continues the process of rationalising Tiscali's network infrastructure, through the decommissioning of obsolete and inevitably more energy-intensive equipment. The effects on the energy plan will become clearer in the coming months.
- With reference to electricity procurement, the company is evaluating the possibility of negotiating with its suppliers to obtain a frozen price.

The Company will continue to monitor developments in the international crisis, strengthening its activities to control macroeconomic variables in order to better identify any impacts that cannot be foreseen at present.

In any case, there are no significant effects on the Financial Statements as at 30 June 2022.

Risks associated with highly competitive markets

Tiscali operates in the highly competitive fixed and mobile telecommunications services market.

Tiscali's main competitors have a strong brand recognition supported with continuity by important investments in communication, a consolidated customer base and high financial resources that allow them to make significant investments in particular in research aimed at developing technologies and services.

With reference to the main market in which Tiscali operates, i.e., access services in Ultra Broadband technology, the FTTH (Fiber to the Home) technology segment is the one with the highest growth rates, 33.3% on an annual basis according to the latest AGCOM data, updated in March 2022.

These opportunities have attracted the entry of new operators such as SKY, which, pursuing a strategy of convergence between the content market and connectivity services, launched its Fibre service in June 2020. The strategy of the convergence between fixed and mobile in this market represents a further business opportunity with a view to increasing ARPU and customer loyalty: Poste Italiane, the first operator in the MVNO (Mobile Virtual Network Operator) segment, entered the fibre market in May 2021, Linkem launched its FTTH fibre service at the end of 2021 under the Just Speed

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brand, and the Virgin group recently launched its FTTH service in Italy on the Open Fiber network.

Iliad launched its fibre offer on 25 January 2022 and, building on its achievements in the mobile market, focused on a fixed-mobile convergence strategy. Similarly to its previous entry into the mobile market, it has adopted a market-breaking pricing policy by offering a fibre service in FTTH technology up to 5 Gigabit/s at EUR 15.99 per month reserved for customers who also have a mobile service, thus applying a monthly discount of as much as EUR 8 compared to the stand-alone fibre offer. Through this strategy, also in light of the entry-level offers proposed by the operator in mobile, Iliad is positioning itself as the market price leader, effectively proposing a Fibre+Mobile solution in the region of EUR 21 per month.

This is therefore a rapidly changing market where operators are pursuing strategies of convergence between fixed network, mobile and content access services. In order to compete with the above-mentioned competitors, Tiscali's strategy continues to be focused on the provision of quality Internet access services, in particular Ultra Broadband solutions with very high capacity, on the development of the mobile market with increasingly high-performance offerings and on fixed-mobile convergent offerings.

It should also be noted that, with the positive outcome of the Merger, the new Tiscali will have a better competitive position than the current one. In fact, the merged company will be the 5th telecommunications operator in the Italian fixed market and the first in the segment of Ultra Broadband access in FTTH and FW technologies, with an overall market share of 16.5%.

The Company's inability to compete successfully in the sector in which it operates with respect to its current or future competitors could have a negative impact on its market position, resulting in a loss of customers and negative effects on the Company's business, income statement, balance sheet and financial position, as well as on the short- and long-term outlook data used to assess the recoverability of assets and the value of investments through impairment testing.

Risks related to possible system interruptions, delays or breaches in security systems

The ability of Tiscali to attract and retain clients will continue to depend significantly on the operation of its network and its information systems and, in particular, its continuity and security as well as its servers, hardware and software.

Any electrical power failure or any interruption in telecommunications, security system violations and other similar unforeseeable negative events (such as the complete destruction of the data center) could cause interruptions or delays in the supply of services, with consequent negative effects on the activity and financial, economic and assets situation of the Company and prospective data. The Company has put in place all preventive measures to minimise this remote risk.

Tiscali, operating in a highly complex market from a technological point of view, is exposed to a high

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risk inherent in IT and ICT systems. As part of the management of risks related to the damage and malfunctioning of these systems, on which the management of the business is based, the Company invests adequate resources aimed at safeguarding all the IT tools and processes. The core business systems are all highly reliable, the data center, present in the Cagliari office, is equipped with security systems suitable to the risks to be addressed.

Cyber Risk

Considering that the proper functioning of the Company's IT infrastructure is critical to business continuity, technical and procedural solutions have been put in place to protect the data centre and systems. To improve its security infrastructure, in 2021 Tiscali has purchased a Managed XDR service and a VDR service. The XDR platform is a cloud-based system capable of automatically collecting and correlating data across multiple layers of security (email, endpoint, server, cloud workload and network), so that threats can be detected more quickly and therefore improve investigation and response times. The VDR platform is a Vulnerability Detection system that identifies, correlates and prioritises any vulnerabilities found in IT systems, suggesting actions to be taken to eliminate or minimise risks.

In terms of quality of service, security of managed information, business continuity and attention to the environment, the Company obtained ISO 14001 certification in December 2019 and its renewal in January 2020 and December 2021. In January 2020, Tiscali obtained ISO 9001 service quality certification and ISO 27001 information security certification, for which it had carried out preparatory activities during 2019. The ISO 9001 certification was renewed on 23 February 2021. With a view to the continuous improvement of the services provided, the Company also obtained, in January 2020, ISO 22301 (Business Continuity Management System) and ISO 20000-1 (IT Service Management System) certification, for which it had carried out the preparatory activities during 2019. Both certifications were renewed on 17 March 2021. In October 2020, during the renewal of the ISO 27001 certification and with the aim of demonstrating the Provider's ability to ensure data protection, it obtained the ISO 27017 (guideline defining advanced controls for both providers and customers of Cloud services) and ISO 27018 (guideline for public Cloud service providers who want to improve the management of personal data) extensions.

In January 2022, the Maintenance Audits for ISO 27001 and extensions 27017 and 27018, ISO 22301, ISO 20001, ISO 9001 Certifications were finalised.

With the aim of improving its IT security posture, in 2021 Tiscali began consulting with DiGi

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International, which, in addition to supporting Tiscali during the cyber-attack it suffered in 2021, conducted vulnerability assessments on services exposed on the public network, and carried out an assessment of security management practices in IT systems and indicated some improvement actions, such as the introduction of a commercial Privileged Access Management platform and the adoption of next-generation firewalls.

The use of the VDR solution also made it possible to identify vulnerabilities in IT systems not exposed on the public network, and also to quickly verify that the IT infrastructure was not exposed to the major cyber risks that had emerged worldwide (e.g., the Log4J vulnerability). Particular attention was paid to potential cyber-attacks related to the conflict in Ukraine.

Tiscali has initiated corrective actions to mitigate the risks identified by the vulnerability assessment, and started evaluations of additional platform providers needed. On the other hand, the start of the Merger process with Linkem Retail has highlighted significant synergies on IT infrastructures that will have to be developed starting from the second half of 2022, with consequences on both the relevance and the priority of the identified corrective actions.

With this in mind, Tiscali also decided not to renew the current XDR and VDR solutions on expiry, preferring a solution that integrates both XDR functions and next-generation anti-malware protection, extending coverage also to systems excluded from the previous solution. The monitoring and operational management of the new solution will be entrusted to Sababa Security, which will also support Tiscali in future security enhancement activities.

General Data protection

Tiscali guarantees a constant monitoring of issues relating to the protection of personal data, with reference to both company's staff and customers.

Starting from the operational model created as a result of the internal and external procedures to GDPR, General Data Protection Regulation, the new EU regulation No. 2016/679 on data protection, in 2021 Tiscali extended the necessary tools to ensure compliance with GDPR.

The Company's operational processes have been adapted according to the principle of privacy-by-design, with particular attention to commercial, customer relations and technological processes, adopting the methods defined by the company regulations dedicated to the application of the GDPR and implementing the directives of the Italian Data Protection Authority.

The processing of personal data is subject to prior assessment in accordance with the indications of the European Data Protection Board (EDPB), is the subject of a census and the related responsibilities

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are assigned to the appropriate managerial level of the Company's organisation, as provided for by the Privacy Code in application of the accountability principle established by the GDPR.

The Privacy Office, in close cooperation with the DPO, manages customer relations, in particular in relation to the exercise of rights under Articles No. 15 to 22 of the GDPR, providing timely feedback within 48-72 hours and, in support of the Legal Department, in the context of contract drafting, defines privacy roles and drafts the clause on the processing of personal data.

In addition to the ordinary activity in the first half of 2022:

- Privacy consent management has been implemented on the MY Tiscali APP, which was previously only possible through the web;
- Consents on all physical and online collection channels have been reviewed and aligned;
- In view of the Merger with Linkem S.p.a., the company has also carried out a review of the documentation and all existing privacy procedures:
 1. Owner's data processing register.
 2. Controller's data processing register.
 3. Privacy Policy for the Website.
 4. Cookie Policy for the website.
 5. Privacy Policy - employees.
 6. Privacy Policy - contractors.
 7. Privacy Policy - consultants.
 8. Visitor Information Notice and Visitor Register.
 9. Privacy policy - suppliers.
 10. Consent acquisition forms.
 11. Video surveillance.
 12. Employee training.
 13. ADS- letter of appointment as system administrator.
 14. Check - list for ADSs.
 15. ADS compliance - Format of registry list for system administrators.
 16. ADS compliance - Control of system administrators' activity.
 17. Appointment letters for data processors
 18. Appointment Data Manager and specific instructions.
 19. Appointment Privacy Officer with specific instructions.
 20. Privacy by Design & by Default Policy.
 21. Data breach Policy - Incident Management Register

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22. Risk Analysis Document
23. Data retention Policy
24. Data protection Policy
25. Policy for the exercise of privacy rights by data subjects
26. DPA with suppliers and operating instructions
27. Appointment as SUB data controller and form
28. ICT tools regulation
29. Physical Access Control Policy
30. Corporate Asset Management Policy
31. IT Policy
32. Security Policy
33. Security Report
34. Audit
35. DPO Appointment
36. DPO Service contract

Following the inspections carried out by the Italian Data Protection Authority during the period 3-5 May 2022, **Operating File No. 146275**, on 20 May 2022 Tiscali provided feedback to the Authority on the points for which it had expressed reservations, and put in place a series of spontaneous and collaborative measures to supplement its existing activities in relation to:

1. Banner cookie
2. Call back privacy policy
3. My Tiscali - correction of consent mismatch between My Tiscali and CRM
4. Web subscription procedures - revision of consent collection text
5. Privacy policy / soft spam

Finally, the processing manager Engineering is working on CR-6354, which will be released by 05 December 2022 and will result in real-time alignment between the blacklist and CRM.

Risks connected with technological development

The sector in which Tiscali operates is characterised by significant and sudden technological changes, high competition and the rapid obsolescence of products and services. The Company's success in the future will also depend on its ability to anticipate such technological changes and to adapt to them in a timely manner by developing products and services that are suitable for meeting client needs.

Any inability to adapt to new technologies and therefore to changes in customer needs could have

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negative effects on the activity and on the financial, economic and assets situation of the Company.

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

As mentioned in the previous paragraph *4.2 Regulatory framework*, the telecommunication sector in which Tiscali operates is a highly regulated sector governed by extensive, stringent and articulated legislation and regulations, especially with regard to licensing, competition, frequency allocation, rate fixing, interconnection agreements and leased lines. Legislative, regulatory or political changes affecting the Group activities, as well as sanctions issued by AGCOM, could have negative effects on the activity and reputation and, consequently, on the financial, economic and assets situation of the Company and on the Business Plan.

In particular, these changes could lead to the introduction of additional burdens, both in terms of direct disbursements and additional adjustment costs, as well as new liability profiles and regulatory barriers to service supply. Any changes in the regulatory framework, as well as the adoption of measures by AGCOM, could also make it more difficult for Tiscali to obtain services from other operators at competitive rates or could restrict access to systems and services necessary for the performance of the Company's activity.

Moreover, considering the dependence of Tiscali on services of other operators, the Company could not be able to promptly implement and/or to adapt to any provisions modifying the current regulatory regime and/or regulations in force, with consequent negative effects on activities and on the financial, economic and assets situation of the Company and on the forecast data. Despite the situation of uncertainty indicated, at the moment the Company has reflected in its forecast data the impacts of the regulatory changes currently foreseeable.

Risks associated with the high financial indebtedness

The development of Tiscali's financial situation depends on various factors, in particular, the achievement of the objectives set out in the 2022-2025 Business Plan, general economic conditions, financial markets and sector in which the Company operates.

The Directors believe that this risk is mitigated by the fact that the financial debt mainly consists of the Senior Loan – whose repayment profile was redefined with the Amendment Agreements of the Senior Loan signed on 22 July 2022, which is consistent with Tiscali's future financial plans, as defined in the 2022-2025 Business Plan, approved by the Board of Directors of Tiscali S.p.A. on 8 July 2022.

In the first half of 2022, the Company finalised the issue and subsequent full conversion into capital of the POC for EUR 21 million. In addition, as contractually provided for, the Group renewed this

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instrument on equal terms for a further EUR 21 million, and issued and converted two tranches of this POC on 30 June 2022 (the third tranche, issued in June 2022, was converted in July 2022). These actions allowed for an improvement in the Company's capital structure and an inflow of financial resources to serve business development. In addition, the Shareholders' Meeting held on 16 May resolved to issue a New POC reserved for N&G for a total amount of EUR 90 million. These additional financial resources can be used to service the implementation of the New Business Plan, ensuring a significant strengthening of the Post-Merger Company's capital and financial structure.

Risks relating with fluctuations in interest and exchange rates

Tiscali essentially operates in Italy. Some supplies, even though for insignificant amounts, might be denominated in foreign currency; therefore, the risk of exchange rate fluctuations to which the Company is exposed is minimal.

With regard to the exposure to the risks associated with interest rate fluctuations, due to the fact that most of the financial debt is at fixed rates, the management considers the risk of fluctuations in interest rates and exchange rates to be not significant for the Company's assets and financial position.

Risks linked to relations with suppliers

The Tiscali's business depends on existing contracts with its strategic suppliers, on which depends the possibility of the Company to have access to its market.

Given the hypothesis that: (i) these contracts should not be renewed at the due date or should be renewed on terms and conditions that are less favourable with respect to those currently existing; or (ii) Tiscali does not succeed in concluding the new contracts necessary for the development of its business; or (iii) if a serious contractual breach should occur on the part of the Company or the above mentioned suppliers, these circumstances could have negative effects on the activity and the economic, equity and financial situation of the Company, with consequent impact on the possibility to carry on its business activities under appropriate conditions of business continuity on the medium term, considering such an eventuality remote with reference to the time horizon of the next 12 months.

The terms and conditions of such contracts are regulatory and there are no elements in the state that may suggest a non-renewal at maturity.

Net trade payables past due (net of payment plans agreed with suppliers, accounts receivable and in dispute with the same suppliers), amounted to EUR 14.8 million (of which EUR 2.5 million overdue by more than 12 months).

As at 30 June 2021, payment reminders were received in the ordinary course of business. As of that

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date, the main payment reminders received by the Company, following the settlement of certain positions, amounted to a total of EUR 2.7 million, of which the remaining unpaid, as they are under negotiation, opposition or instalment plans, amounted to EUR 1 million.

Risks related to the dependence from licenses, authorisations and the exercise of real rights

Tiscali conducts its business on the basis of licenses and authorisations – subject to periodic renewal, amendment, suspension or revocation by relevant authorities – and it has rights of access, usage rights and administrative permissions for the building and maintenance of telecommunications network. In order to be able to carry out its business, Tiscali must retain and maintain licenses and permissions, transfer and usage rights, as well as all other administrative authorisations.

The most important authorisations, in the absence of which the Company might not be able to carry out its business or part of it, with the resulting repercussions on business continuity, follow:

- General authorisation for the provision of the “data transmission” service: in case of loss of this authorisation – which in turn expires on 10 December 2027 – Tiscali would no longer be able to provide Internet access services. At present, Tiscali has all the necessary requirements for the renewal of that authorisation upon expiry, which to be obtained will need a new DIA (Declaration on the Commencement of the Activities) to be submitted;
- General authorisation (former individual license) for “voice service accessible to the public on the national territory”, expiring on 31 December 2038: in case of loss of such authorisation, Tiscali would no longer be able to provide voice services which use geographical numbers; at present, Tiscali has all the necessary requirements for the automatic renewal of that authorisation upon expiry, which to be obtained will need a new DIA (Declaration on the Commencement of the Activities) to be submitted;
- General authorisation for “electronic communications networks and services”, expiring on 11 January 2032: in case of loss of such authorisation, Tiscali would no longer be able to realise network infrastructure and thus provide connectivity services on proprietary infrastructures.
- General authorisation for the provision of the “Enhanced Service Provider” mobile service: in case of loss of such authorisation – which is scheduled to expire on 31 December 2038 – Tiscali would no longer be able to provide services (both voice and data) of mobile type.

Risks related to the business as an ongoing concern

In this regard, reference should be made to paragraph 5.9 in the *Explanatory Notes*

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Risk related to potential disputes and liabilities

For this purpose, please refer to paragraph 4.9 *Disputes, Contingent Liabilities and Commitments*.

4.9 Disputes, Contingent Liabilities and Commitments.

Please refer to paragraph *Disputes, Contingent Liabilities and Commitments* in the Explanatory Notes.

4.10 Non-Recurring Transactions

Please refer to paragraph *Non-Recurring Transactions* in the Explanatory Notes.

4.11 Atypical and/or unusual transactions

Pursuant to the CONSOB Communication of 28 July 2006, it should be noted that in the first half of 2021 the Group did not carry out 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 paragraph *Related party transactions* in the Explanatory Notes to the Consolidated Financial Report.

Please note that the document illustrating the procedure for regulating related parties is available at www.tiscali.com/procedure.

Cagliari, 12 September 2022

The Chief Executive Officer

Davide Rota



The Executive in Charge of Preparing the

Company's Accounting Documents

Silvia Marchesoli



Half-year Consolidated Financial Statements as at 30 June 2022

Half-Year Consolidated Financial Report as at 30 June 2022
5 Consolidated Financial Statements and Explanatory Notes
5.1 Income Statement

Consolidated income Statement	Notes	1st semester 2022	1st semester 2021
<i>(Thousands of Euros)</i>			
Revenues	1	63,959	72,947
Other incomes	2	13,241	1,891
Purchase of materials and external services	3	51,524	51,503
Personnel cost	4	9,569	8,874
Other operating charges (incomes)	3	226	41
Write-downs of receivables from customers	5	2,935	2,503
Restructuring costs and other provisions	6	2,564	(147)
Depreciations & amortizations	7-12-13-14- 15	22,938	20,684
Operating result		(12,556)	(8,621)
Result from the investments evaluated at equity method		(200)	(161)
Financial Income	8	1	0
Financial Expenses	8	3,822	3,711
Income (loss) before tax		(16,577)	(12,492)
Taxation	9	1	0
Net result	10	(16,578)	(12,492)
To be attributed to:			
- Result pertaining the Parent Company		(16,578)	(12,492)
- Result pertaining Third Parties		-	-
Profit (loss) per share			
Profit per share from current and transferred activities:			
- Base		(0.257)	(0.233)
- Diluted		(0.240)	(0.218)
Profit per share from current activities:			
- Base		(0.257)	(0.233)
- Diluted		(0.240)	(0.218)

Half-Year Consolidated Financial Report as at 30 June 2022
5.2 Comprehensive Income Statement

Comprehensive Income Statement	1st semester 2022	1st semester 2021
<i>(Thousands of Euros)</i>		
Result for the period	(16,578)	(12,492)
Other elements for the comprehensive Income Statement:		
Other elements of the comprehensive income statement that later will be reclassified in the profit/(loss) for the fiscal year	0	0
Other elements of the comprehensive income statement that later will not be reclassified in the profit/(loss) for the fiscal year	0	0
<i>(Loss)/profit from revaluation on plans with defined benefits</i>	0	0
Total of other elements for the comprehensive Income Statement:	0	0
Total result of the comprehensive Income Statement	(16,578)	(12,492)
To be attributed to:		
Shareholders of the Parent Company	(16,578)	(12,492)
Minority Shareholders	-	-
Total	(16,578)	(12,492)

Half-Year Consolidated Financial Report as at 30 June 2022
5.3 Statement of Assets and Liabilities

Statement of Assets and Liabilities	Notes	30 June 2022	31 December 2021
<i>(Thousands of Euros)</i>			
<i>Non-current assets</i>			
Intangible assets	12	46,716	49,737
Leased contracts rights of use	13	14,901	16,992
Customer acquisition costs	14	8,326	9,086
Property, plants and machinery	15	24,259	26,470
Investments evaluated at equity method	16	3,719	3,719
Other financial assets	17	780	766
		98,699	106,769
<i>Current assets</i>			
Inventories	18	70	
Trade receivables	19	7,734	8,788
Tax receivables	20	3	3
Other receivables and other current assets	21	22,736	15,865
Cash and cash equivalents	22	5,881	11,614
		36,424	36,467
Total assets		135,124	143,236
<i>Capital and reserves</i>			
Share Capital		78,655	63,655
Stock option reserve		0	0
Results from previous fiscal years and other reserves		(145,607)	(124,684)
Results for the fiscal year pertaining to the Group		(16,578)	(20,617)
Shareholders' equity_ Group	23	(83,529)	(81,646)
Shareholders' equity_ third parties			
Shareholders' equity_ third parties	24	0	0
Total Shareholders' equity		(83,529)	(81,646)
<i>Non-current liabilities</i>			
Bank loans and other fin. Inst.	25	68,536	70,215

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Obligation under finance leases	25	11,331	13,061
Other non-current liabilities	26	17,334	18,611
Employee severance indemnities	27	2,934	2,615
Provisions for liabilities and charges	28	5,094	4,124
		105,229	108,626
<i>Current Liabilities</i>			
Convertible bond	25	3,000	6,000
Banks overdrafts and loans	25	6,158	3,323
Obligation under finance leases	25	6,300	7,773
Trade payables	29	69,798	68,436
Tax payables	30	203	203
Other current liabilities	31	27,965	30,521
		113,424	116,256
Total Shareholders' equity and Liabilities		135,124	143,236

5.4 Cash Flow Statement

(Thousands of Euro)	Notes	1st semester 2022	1st semester 2021
OPERATING ACTIVITIES		(16,578)	(12,492)
<i>Adjustments for:</i>			
Amortization	12-13-14-15	22,938	20,684
Income from tax receivables ex Bonus Sud & Industria 4.0	2	(2,054)	(244)
Provision for write-downs accounts receivables from customers	5	2,935	2,503
Income taxes	9	1	0
Changes in provision for risks	6	1,764	(312)
Payables/ receivables and other credits write-offs	29	(1,102)	(2,101)
Other changes	4-6	901	701
Fastweb Voucher utilization	3	0	2,334
Financial charges / income	8	3,821	3,711
Cash flows from operating activities before changes in working capital		12,625	14,784
Changes in receivables	19	(2,014)	(2,391)
Change in inventories	0	127	(341)
Changes in payables to suppliers	29	4,698	12,453

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Change in payables to long-term suppliers	26	(2,587)	(81)
Net change in provisions for risks and charges	28	(652)	(292)
Net change in provisions for TFR	27	(50)	(76)
Changes in other liabilities	31	134	2,229
Changes in other assets	21	(10,593)	(1,972)
Changes in working capital		(10,938)	9,529
AVAILABILITY CASH FLOWS GENERATED BY OPERATING ACTIVITIES		1,687	24,313
INVESTMENT ACTIVITY			
Change in other financial assets	17	(13)	(1)
Acquisitions of Fixed Tangible Assets	15	(4,641)	(2,603)
Acquisitions of Leased contract right of use		(244)	(3,504)
Acquisitions of Customers acquisition costs	14	(2,784)	(2,322)
Acquisitions of Intangible assets	12	(7,382)	(11,141)
<i>o/w due to voucher utilization (no cash effect)</i>	12 -15	0	128
Change in payables related to acquisitions of Assets	26	1,416	(998)
AVAILABILITY OF CASH AND CASH EQUIVALENTS FOR INVESTMENT ACTIVITIES		(13,649)	(20,441)
FINANCIAL ASSETS			
Changes in payables to banks	25	(1,311)	(2,788)
<i>Repayment of share capital and interest Senior debt</i>		(448)	(448)
<i>Increase/Decrease in current accounts overdrafts</i>		(862)	(2,340)
Changes in bond	25	2,865	2,740
Repayment/acceptance of financial leasing	25	(3,914)	(559)
Exchange rate effect	8	(6)	(0)
Changes in Net Equity	23	8,595	2,990
<i>- o/w due to bond conversion (no cash effect)</i>		0	0
AVAILABILITY CASH ARISING FROM/ (USED IN) FINANCIAL ACTIVITIES		6,229	2,383
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS IN THE PERIOD		(5,732)	6,255
AVAILABILITY CASH ARISING FROM ASSETS SOLD/ HELD FOR SALE		0	0
AVAILABILITY CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		11,614	4,434
CASH AND CASH EQUIVALENTS AT YEAR-END		5,881	10,688

It should be noted that changes in items related to Related Party Transactions have not been presented in the Cash Flow Statement as their amount is not significant.

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5.5 Statement of Changes in the Shareholders' Equity

<i>(Thousands of Euros)</i>	Capital	Legal reserve	Reserve for shares premium	Stock option reserve	Reserve for employees benefits	Accumulated losses and other reserves	Net Equity pertaining to the Group	Minority Interests	Total
Balance as of January 1, 2022	63,655	2,011			(1,701)	(145,611)	(81,646)	0	(81,646)
Bond conversion	15,000						15,000		15,000
Bond set up fees						(305)	(305)		(305)
Reclassification of Stock Option Reserve to Other Reserves									
Other movements									
Total result of the comprehensive Income Statement						(16,578)	(16,578)		(16,578)
Balance as of June 30, 2022	78,655	2,011			(1,701)	(162,494)	(83,529)		(83,529)
Balance as of January 1, 2021	63,655	2,011			(1,701)	(145,611)	(81,646)	0	(81,646)
Bond conversion	3,000						3,000		3,000
Bond set up fees						(10)	(10)		(10)
Reclassification of Stock Option Reserve to Other Reserves			82			(82)			
Figurative charges Stock Option Statement						(12,492)	(12,492)		(12,492)
Balance as of June 30, 2021	54,655	2,011	-	51	(1,664)	(137,526)	(82,473)	-	(82,473)

<i>(Thousands of Euros)</i>	Capital	Legal reserve	Reserve for shares premium	Stock option reserve	Reserve for employees benefits	Accumulated losses and other reserves	Net Equity pertaining to the Group	Minority Interests	Total
Balance as of January 1, 2021	54,655	2,011		51	(1,664)	(137,526)	(82,473)		(82,473)
Bond conversion	9,000						9,000		9,000
Bond set up fees						(29)	(29)		(29)
Reclassification of Stock Option Reserve to Other Reserves		(82)		(51)		133			
Other movements		82				(64)	18		18
Total result of the comprehensive Income Statement			0	0	(37)	(8,125)	(8,162)		(8,162)
2021	63,655	2,011	0	0	(1,701)	(145,611)	(81,646)	0	(81,646)

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5.6 Income Statement pursuant to CONSOB Resolution No. 15519 dated 27 July 2006

Consolidated income Statement	Notes	1st semester 2022	of which related parties	1st semester 2021	of which related parties
<i>(Thousands of Euros)</i>					
Revenues	1	63,959	152	72,947	
Other incomes	2	13,241		1,891	
Purchase of materials and external services	3	51,524	523	51,503	1,009
Personnel cost	4	9,569	405	8,874	265
Other operating charges (incomes)	3	226		41	
Write-downs of receivables from customers	5	2,935		2,503	
Restructuring costs and other provisions	6	2,564		(147)	
	7-12- 13-	22,938		20,684	
Depreciations & amortizations	14-15				
Operating result		(12,556)	(776)	(8,621)	(1,274)
Result from the investments evaluated at equity method		(200)		(161)	
Financial Income	8	1		0	
Financial Expenses	8	3,822		3,711	
Income (loss) before tax		(16,577)	(776)	(12,492)	(1,274)
Taxation	9	1		0	
Net result	10	(16,578)	(776)	(12,492)	(1,274)
To be attributed to:					
- Result pertaining the Parent Company		(16,578)		(12,492)	
- Result pertaining Third Parties		-		-	
Profit (loss) per share					
Profit per share from current and transferred activities:					
- Base		(0.257)		(0.233)	
- Diluted		(0.240)		(0.218)	
Profit per share from current activities:					
- Base		(0.257)		(0.233)	
- Diluted		(0.240)		(0.218)	

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Statement of Assets and Liabilities pursuant to CONSOB Resolution No. 15519 dated 27 July 2006

Statement of Assets and Liabilities	Notes	30 June 2022	of which related parties	31 December 2021	of which related parties
<i>(Thousands of Euros)</i>					
<i>Non-current assets</i>					
Intangible assets	12	46,716		49,737	
Leased contracts rights of use	13	14,901		16,992	
Customer acquisition costs	14	8,326		9,086	
Property, plants and machinery	15	24,259		26,470	
Investments evaluated at equity method	16	3,719		3,719	
Other financial assets	17	780		766	
		98,699		106,769	
<i>Current assets</i>					
Inventories	18	70			
Trade receivables	19	7,734	669	8,788	527
Tax receivables	20	3		3	
Other receivables and other current assets	21	22,736	11	15,865	386
Cash and cash equivalents	22	5,881		11,614	
		36,424	680	36,467	912
Total assets		135,124	680	143,236	912
<i>Capital and reserves</i>					
Share Capital		78,655		63,655	
Stock option reserve		0		0	
Results from previous fiscal years and other reserves		(145,607)		(124,684)	
Results for the fiscal year pertaining to the Group		(16,578)		(20,617)	
Shareholders' equity_ Group	23	(83,529)		(81,646)	
Shareholders' equity_ third parties					
Shareholders' equity_ third parties	24	0		0	

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Total Shareholders' equity		(83,529)		(81,646)	
<i>Non-current liabilities</i>					
Bank loans and other fin. Inst.	25	68,536		70,215	
Obligation under finance leases	25	11,331		13,061	
Other non-current liabilities	26	17,334		18,611	
Employee severance indemnities	27	2,934		2,615	
Provisions for liabilities and charges	28	5,094		4,124	
		105,229		108,626	
<i>Current Liabilities</i>					
Convertible bond	25	3,000		6,000	
Banks overdrafts and loans	25	6,158		3,323	
Obligation under finance leases	25	6,300		7,773	
Trade payables	29	69,798	243	68,436	207
Tax payables	30	203		203	
Other current liabilities	31	27,965	510	30,521	526
		113,424	753	116,256	733
Total Shareholders' equity and Liabilities		135,124	73	143,236	(179)

5.7 Explanatory Notes

These Consolidated Financial Statements (hereinafter referred to as the "Financial Statements") have been prepared using the Euro (EUR) as the accounting currency, as this is the currency used to conduct most of the Group's operations; all values are rounded off to thousands of Euro (EUR 000), unless otherwise stated. Foreign activities are included in the consolidated financial statements in accordance with the principles described in the following Notes.

In preparing these Financial Statements, management has made the existence of the going concern assumption, as more fully explained in section 5.9 below, therefore the Financial Statements has been drafted using the principles and criteria applicable to a going concern.

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5.8 Assessment on the business as an ongoing concern

Group performance in the first half of 2022

The Directors point out that in the first half of 2022 the Group:

- Showed a negative operating result, with a loss of EUR 16.6 million, up EUR 4.1 million compared to the first half of 2021. During the same period, Group EBITDA increased by EUR 1 million, from EUR 11.9 million in H1 2021 to EUR 12.9 million in H1 2022;
- Had a consolidated equity deficit of EUR 83.5 million, up from EUR 81.6 million as of 31 December 2021, mainly due to the combined effect of the capital increases resulting from the conversion from the fifth to the ninth tranche of the POC Nice & Green SA for a total of EUR 15 million, the negative operating result of EUR 16.6 million and the decrease of approximately EUR 0.3 million due to charges connected to the conversion of the POC tranches
- Generated an inflow from operations before changes in working capital of EUR 12.6 million, lower than the inflow of EUR 14.8 million generated in the first half of 2021;
- Recorded a decrease in the Fixed Broadband customer base (319,000 subscribers as at 30 June 2022, compared to 364,000 subscribers as at 30 June 2021, a decrease of 12.3%).

Against the backdrop of the economic, financial and management results described above, in the first half of 2022, the Group implemented the following actions aimed at improving its performance and strengthening its capital and financial structure:

- It worked on the finalisation of the Merger operation with Linkem Retail, which culminated in the stipulation of the Merger Agreement on 22 July 2022, with the aim of creating a Group able to offer the best connectivity solutions for households and for the corporate and public administration market;
- It approved the New Business Plan on 8 July 2022;
- It obtained the necessary waivers for the renewal of the POC and proceeded to issue and convert into capital two tranches of the renewed POC for EUR 6 million, in addition to issuing a third tranche converted in July 2022;
- It signed an agreement relating to a New POC that will allow the Group to issue a reserved convertible and convertible bond in favour of N&G for a total amount of EUR 90 million to service the implementation of the New Business Plan;
- It signed, on 22 July 2022, the Amendment Agreements to the Senior Loan, whose repayment profile was redefined compared to the Amendment Agreements signed on 7 October 2021, providing for an early repayment of EUR 2.6 million to be made on 30 September 2022 and two repayments of EUR 650,000 to be made on 31 January 2023 and 28 February 2023,

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respectively

- It reduced its exposure in terms of net current liabilities at a consolidated level (non-financial), which amounted to EUR 67.4 million as at 30 June 2022, compared to net current liabilities of EUR 74.3 million as at 31 December 2021.

Finally, the Directors have drawn up a cash plan with a 12-month time horizon to analyse financial dynamics and conclude on the Group's ability to meet its obligations in the period in question. This plan shows, at the end of the period, a surplus of cash and usable sources that confirms the presence of sufficient financial resources to honour financial obligations without increasing the amount due.

In the situation described above, the Directors reiterate that the achievement of a medium- and long-term balance sheet, economic and financial equilibrium of the Group is subject to the following aspects that present profiles of uncertainty: (i) The achievement of the results envisaged in the New Business Plan that envisages the achievement of financial equilibrium in terms of operating flows including changes in working capital and economic equilibrium in 2025; and (ii) The realisation of the forecasts and assumptions contained therein in a market context characterised by strong competitive pressure.

Conclusions on the business as an ongoing concern

Under the above-described circumstances, the Directors believe, after analysing the uncertainties and results of the period, assuming compliance with the New Business Plan approved by the Board of Directors on 8 July 2022, considering the injection of liquidity deriving from the POC and the New POC, as well as considering the effects of the Senior Loan Amendment Agreement signed on 22 July 2022, that the Group will be able to meet its obligations while 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 going concern over the next 12 months will be recurring 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 compared, with respect to some of the above events, the degree of probability of their occurrence with the opposite situation.

It must be emphasised that the prognostic judgement underlying the Board of Directors' determination is liable to be contradicted by developments in 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 of any further circumstance that may acquire importance), so as to be able to promptly take the necessary measures.

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5.9 Accounting Standards

This Half-Year Consolidated Financial Report have been prepared according to the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and harmonised by the European Union. The IFRS include also all the International Accounting Standards (“IAS”) and all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) previously known as Standing Interpretations Committee (“SIC”).

The form and content comply with the disclosure requirements of International Accounting Standard No. 34 *Interim Financial Reporting* (IAS 34), in accordance with Article 154-ter of the Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Act or “TUF”) and subsequent amendments and additions, also considering other relevant CONSOB communications and resolutions.

The notes have been prepared in an abridged form, applying the option provided by IAS 34, and therefore do not include all the information required for an annual report prepared in accordance with IFRS. This is because the purpose of these interim financial statements in accordance with IAS 34 is to provide an update of the financial position and results of operations with respect to the consolidated financial statements as at 31 December 2021; they should therefore be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2021.

The Abridged Half-Year Consolidated Financial Report, as required by the relevant regulations, have been prepared on a consolidated basis and are subject to a limited audit by Deloitte & Touche S.p.A.

The accounting policies and consolidation criteria adopted in this Abridged Half-Year Consolidated Financial Report are consistent with those used in preparing the consolidated financial statements for the year 2020 – to which reference should be made for a detailed explanation – and with those adopted in preparing the Condensed Half-Year Consolidated Financial Report as at 30 June 2021.

The preparation of the Condensed Half-Year Financial Report and related Notes, in accordance with the IFRS, requires the Directors to make certain estimates and, in certain cases, to make assumptions in applying the accounting policies. The areas of the financial statements that, in the circumstances, require the adoption of assumptions and those that are more likely to involve the use of estimates are described in the note *Major Decisions in Applying Accounting Policies and Use of Estimates* below.

5.10 Major Decisions in Applying Accounting Policies and Use of estimates

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS EFFECTIVE FROM 1 JANUARY 2022

The following accounting standards, amendments and IFRS interpretations have been applied for the first time by the Group starting from 1 January 2022:

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- On 14 May 2020, the IASB published the following amendments:
 - **Amendments to IFRS 3 Business Combinations:** The purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without resulting in any changes to the provisions of the standard.
 - **Amendments to IAS 16 Property, Plant and Equipment:** The purpose of the amendments is to disallow the deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced during the test phase of the business. These sales revenues and related costs will therefore be recognised in the income statement.
 - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** The amendment clarifies that in the estimation of whether a contract is onerous, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is burdensome includes not only incremental costs (such as, for example, the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of machinery used in performing the contract).
 - **Annual Improvements 2018-2020:** Amendments were made to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IAS 41 *Agriculture* and to the *Illustrative Examples* of IFRS 16 *Leases*.

The introduction of the new amendment had no material effect on the Group's Consolidated Financial Statements.

ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS IFRS AND IFRIC APPROVED BY THE EUROPEAN UNION, NOT YET APPLICABLE ON A COMPULSORY BASIS AND NOT EARLY ADOPTED BY THE GROUP AS AT 30 JUNE 2022

- On 12 February 2021, the IASB published two amendments, **Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2** and **Definition of Accounting Estimates – Amendments to IAS 8**. The amendments are intended to improve the disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies. Amendments will apply from 1 January 2023, but earlier application is permitted. The Directors do not expect a material

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effect on the Group's consolidated financial statements from the adoption of these amendments.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED 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 23 January 2020, the IASB published an amendment entitled ***Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current***. The document aims to clarify how to classify payables and other short-term or long-term liabilities. The amendments take effect on 1 January 2023; however, earlier application is permitted. The Directors do not expect a significant effect in the Group's consolidated financial statements from the adoption of this amendment.
- On 7 May 2021, the IASB published an amendment entitled ***Amendments to IAS 12 Income Taxes: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction***. The document clarifies how deferred taxes on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations, should be accounted for. The amendments will apply from 1 January 2023, 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.

SIGNIFICANT JUDGMENTS AND USE OF ESTIMATES

Significant Judgments

The Abridged Half-Yearly Consolidated Financial Statements include EUR 5.2 million in tax credits and EUR 2.1 million in sundry income referring to the recognition of the effect of certain tax incentives related to the Group's investments. These tax incentives are mainly related to the following types of incentives: *i)* An incentive linked to investments made in specific territories in southern Italy ("Bonus Sud") and, *ii)* An incentive linked to so-called industry 4.0 investments ("Industry 4.0"). The tax rules also allow for the incentivisation of assets acquired through financial leasing. In identifying which assets could benefit from these tax incentives, the Group interpreted the tax definition of 'financial leasing' in accordance with the definition of financial leasing in IFRS 16. This approach constitutes a

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significant judgement made by the Directors.

Use of Estimates

The preparation of the Consolidated Half-Year Financial Statements and the Explanatory Notes to the Financial Statements involved the use of estimates and assumptions to determine certain assets and liabilities and to measure contingent liabilities. Although the estimation process during the six months of 2022 did not involve issues which were different from in the past, the results that will result from the occurrence of expected and/or foreseeable events could differ from those assumed. The estimates and assumptions considered 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 for the following issues:

1. Estimates related to the 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 11 Impairment test
3. Estimates related to the provisions for risks and charges;
4. Estimates relative to the recognition of revenues based on IFRS 15. For the Group, the estimation process relates to the presence of certain contracts that may contain various performance obligations.

5.11 Explanatory Notes

Revenues (Note 1)

Revenues (EUR 000)	1st semester 2022	1st semester 2021
Revenues	63,959	72,947
Total	63,959	72,947

Revenues for the half-year 2022 showed a decrease of EUR 9 million compared to 30 June 2021. More details on their composition and the change in the period can be found in 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 revenues.

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Other Income (Note 2)

Other Income (EUR 000)	1st semester 2022	1st semester 2021
Other Income	13,241	1,891
Total	13,241	1,891

Other income, amounting to EUR 13.2 million, includes the following elements:

- Proceeds from a settlement with one of the major wholesale suppliers, signed on 30 June 2022, resulting in the invoicing of an amount of EUR 10 million as compensation for inefficiencies
- The share of tax credits accrued on investments under the Bonus Sud and Industry 4.0 regulations for a total amount of EUR 2.1 million;
- Proceeds from the cancellation of other payables no longer due for EUR 1.2 million.

**Purchase of materials and outsourced services, payroll and other operating costs (income)
(Note 3)**

Purchase of materials and outsourced services, payroll and other operating costs (income) (EUR 000)	1st semester 2022	1st semester 2021
Line/traffic rental and interconnection costs	36,814	37,714
Costs for use of third-party assets	3,984	2,016
Portal services costs	218	215
Marketing costs	1,269	1,212
Other services	9,238	10,347
Other operating costs (income)	226	41
Total	51,751	51,544

The item *Line/traffic rental and interconnection costs* mainly includes voice traffic costs and fees for Broadband and Ultra Broadband Fixed and Fixed Wireless services, and Mobile services referred to non-divisible units. This item decreased by EUR 0.9 million compared to the previous half-year figure. The decrease was mainly due to the discontinuation of the purchase costs for tablets provided to customers as part of the B2C Voucher offer (which ended in November 2021).

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The item *Costs for use of third-party assets* includes the cost of leases and rentals of capital goods that do not fall within the scope of IFRS 16. The increase compared to the first half of 2021 amounts to EUR 2 million and is mainly attributable to: (i) An increase in Wireless co-location costs of EUR 0.1 million; (ii) An increase in technical site rental costs of EUR 0.8 million; (iii) An increase in electricity utilities of EUR 0.8 million; (iv) An increase in financial and operating leases of EUR 0.1 million; and (v) An increase in costs related to other users of EUR 0.2 million.

The *Portal service costs* of EUR 0.2 million are basically in line with the previous half-year figures.

Marketing costs show an increase of 5% compared to the previous half-year figures.

The item *Other Services* includes costs for the maintenance and operation of industrial sites, administrative offices, rents, consulting and professional fees, billing costs, postage, travel expenses, and other general costs. The decrease of EUR 1.1 million compared to the first half of 2021 is mainly attributable to the following factors:

- A decrease in professional fees of approximately EUR 0.5 million
- A reduction in travel expenses and other general services of EUR 0.4 million;
- A decrease in customer care outsourcing costs of EUR 0.2 million;
- A decrease in costs for fines and penalties to the Treasury and Public Administration for EUR 0.1 million;
- An increase in maintenance and utilities at industrial sites of about EUR 0.1 million.

Staffing costs (Note 4)

Staffing cost (EUR 000)	1st semester 2022	1st semester 2021
Wages and salaries	5,857	5,633
Other staffing costs	3,712	3,241
Total	9,569	8,874

As mentioned in the Management Report, the increase in staffing costs is attributable to lower capitalisation of staffing costs in the amount of EUR 0.3 million, lower relief from social security contributions in the amount of EUR 0.2 million and higher ancillary staff costs in the amount of EUR 0.2 million.

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The average number of FTEs at 30 June 2022 decreased by 9 compared to 30 June 2021, as shown in the following table:

Number of Units (FTE)

	30 June 2022	30 June 2021
Managers	12	11
Middle Managers	32	32
Employee	422	432
Workers	1	1
Total	467	476

Write-downs of receivables from customers (Note 5)

	1 st semester 2022	1 st semester 2021
Write-downs of receivables from customers <i>(EUR 000)</i>		
Provisions for bad debts	2,935	2,503
Total	2,935	2,503

Provisions for bad debts amounted to EUR 2.9 million (4.6% of revenue), up from EUR 2.5 million as at 30 June 2021 (3.4% of revenue).

This increase is attributable to terminations by customers in May and June 2022.

Restructuring costs and other provisions (Note 6)

	1 st semester 2022	1 st semester 2021
Restructuring costs and other provisions <i>(EUR 000)</i>		
Restructuring costs	2,564	(147)
Total	2,564	(147)

Restructuring costs and other provisions include the provision for risks related to the closure of the dispute with Engineering Sardegna for EUR 2 million and write-down of receivables from BT Italia for EUR 0.6 million.

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Depreciation and Amortisation (Note 7)

	1st semester 2022	1st semester 2021
Depreciation <i>(EUR 000)</i>		
Depreciation	22,938	20,684
Total	22,938	20,684

Depreciation and amortisation amounted to EUR 22.9 million, up EUR 2.3 million from EUR 20.7 million in the previous six months.

For more details on depreciation of assets, see also Notes 12-13-14-15.

Financial Income (Charges) (Note 8)

The breakdown of the items Financial Income and Financial Expense for the year, which totalled a negative EUR 3.8 million, is detailed below.

	1st semester 2022	1st semester 2021
Net financial income (charges) <i>(Thousands of EUR)</i>		
Financial income		
Other financial income	1	-
Total	1	-
Financial charges		
Interest and other charges due to banks	2,248	1,933
Other financial charges	1,574	1,778
Total	3,822	3,711
Net financial income (charges)	(3,821)	(3,711)

The item Financial Income as at 30 June 2022 is not significant. The item Financial Charges of EUR 3.8 million includes the following elements:

- Interest expense related to the loan to Senior Lenders of EUR 1.6 million (EUR 1.6 million in H1 2021);
- Financial expenses for EUR 0.5 million related to the mandatory convertible bond loan converted into Tiscali ordinary shares, subscribed by Nice & Green related to the exercise

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of no. 5 tranches, each composed of No. 30 bonds converted into Tiscali shares with a unit value of EUR 100,000 each, for a total amount of EUR 15,000,000;

- Bank expenses of EUR 0.8 million in line with the figure for the first half of 2021;
- Interest expense on finance leases and IRUs of approximately EUR 0.7 million (EUR 0.8 million in H1 2021);
- Interest expense on arrears of EUR 0.1 million (EUR 0.1 million in H1 2021) related to trade and tax payables;
- Interest expense on bank accounts of EUR 0.1 million (EUR 0.1 million in H1 2021).

Income Taxes (Note 9)

Income taxes	1 st semester 2022	1 st semester 2021
<i>EUR 000</i>		
Current taxes	1	0
Total	1	(0)

Earning (Loss) per Share (Note 10)

Basic earnings per share from “operating assets” is negative and equal to EUR 0.257 and was calculated by dividing the loss from continuing operations for the half-year 2022 attributable to the ordinary shareholders of the Parent Company, equal to EUR 16.6 million, by the weighted average number of ordinary shares outstanding in the first half of 2022, equal to 64,536,183.

The diluted earnings per share of “operating assets” is negative and equal to EUR 0.24 and was calculated by dividing the net loss for the period attributable to the Parent Company’s Ordinary Shareholders, equal to EUR 16.6 million, by the weighted average number of potential shares outstanding during the year, equal to 69,033,934.

Assessment of possible reduction in the value of assets – “Impairment Test” (Note 11)

In the absence of impairment indicators, the Directors did not carry out an *Impairment Test* on assets as at 30 June 2022.

It should be noted that on 8 July 2022, the Company’s Board of Directors approved the 2022-2025 Business Plan. The New Business Plan is supported by a Comfort Letter issued on 15 July by Professor Giovanni Naccarato and supersedes the previous plan sworn in pursuant to Article No. 67 of the Financial Law.

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Intangible Assets (Note 12)

Intangible assets (EUR 000)	Concessions and similar rights	Broadband service activation costs	Other intangible assets	Intangible assets under development and advances	Total
<u>HISTORICAL COST</u>					
1 January 2022	78,639	44,680	12,562	463	140,985
Increases	2,592	3,435	1,172	184	7,382
Disposal					
Reclassifications				(15)	(15)
30 June 2022	81,231	48,115	13,733	632	148,352
<u>ACCUMULATED AMORTIZATION</u>					
1 January 2022	51,384	29,434	5,790		91,248
Increases in amortization	3,998	5,244	1,146		10,388
30 June 2022	55,381	34,678	6,936		101,636
<u>NET BOOK VALUE</u>					
1 January 2022	27,255	15,247	6,772	463	49,737
30 June 2022	25,849	13,437	6,797	632	46,716

Changes in intangible assets in the first half of 2022 are shown below:

The balance of *Concessions and similar rights* of EUR 25.8 million mainly includes:

- EUR 10.1 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 14.3 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) contracts; these IRUs are accounted for by the subsidiary Tiscali Italia, for which the main suppliers are Telecom Italia, Interoute, Fastweb and Infracom;
- EUR 1.4 million for patent and industrial property rights.

The increase in cost in the first half of 2022 of EUR 2.6 million is attributable to licences and software for EUR 2 million, the purchase of Indefeasible Right of Use (IRU) for EUR 0.5 million and the purchase of patents for EUR 0.1 million. Amortisation and depreciation for the period amounted to

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EUR 4 million.

Broadband service activation costs amounted to EUR 13.4 million.

The increase in the half-year 2022 is EUR 3.4 million and relates to customer activation costs for fixed broadband services.

Depreciation and amortisation for the period, calculated according to the criteria outlined in the 2021 Annual Financial Report, amounted to EUR 5.2 million.

Other intangible assets amounted to EUR 6.8 million. The increase in the period amounts to EUR 1.2 million. Amortisation for the period, calculated in accordance with the criteria outlined in the 2021 Annual Financial Report, amounted to EUR 1.1 million.

Intangible assets in progress and payments on account amounted to EUR 0.6 thousand. The increase in the period amounts to EUR 0.2 million. There are also reclassifications for a historical value of EUR 15,000, attributable to assets transferred from *Intangible assets under development and advances* to the *Plant and machinery* category in relation to investments that entered into amortisation during the period.

Leased Contracts Rights of Use (Note 13)

Leased contracts rights of use (EUR 000)	Property rights of use	Network equipment rights of use	Total
<u>HISTORICAL COST</u>			
1 January 2022	17,917	129,928	147,845
Increases	71	173	244
Disposal	(25)	(323)	(348)
Reclassifications			
30 June 2022	17,964	129,778	147,742
<u>ACCUMULATED AMORTIZATION</u>			
1 January 2022	6,313	124,541	130,853
Increases	1,123	1,018	2,141
Disposal	(25)	(128)	(153)
Reclassifications			
30 June 2022	7,411	125,430	132,841
<u>NET BOOK VALUE</u>			
1 January 2022	11,604	5,388	16,992
30 June 2022	10,553	4,348	14,901

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The item *Property Rights of Use* includes the capitalisation of lease contracts for the Sa Illetta headquarters and industrial sites. This item includes increases in the period of EUR 0.1 million. Depreciation and amortisation for the period amounted to EUR 1.1 million. Disposals for the period amounted to EUR 25,000 of historical value (against a depreciation provision of the same amount).

The item *Network Equipment Right of Use* includes the operating lease contracts for network equipment and amounts to EUR 4.3 million. This item includes cost increases of EUR 0.2 million and disposals of EUR 0.3 million of historical value (against EUR 0.1 million of accumulated depreciation). Depreciation and amortisation for the period amounted to EUR 1 million.

Customer Acquisition costs (Note 14)

Customers Acquisition costs	
<i>(EUR 000)</i>	
<u>HISTORICAL COST</u>	
1 January 2022	34,564
Increases	2,784
Disposal	(189)
Reclassifications	
30 June 2022	37,159
<u>ACCUMULATED AMORTIZATION</u>	
1 January 2022	25,478
Increases in amortization	3,544
Disposal	(189)
30 June 2022	28,833
<u>NET BOOK VALUE</u>	
1 January 2022	9,086
30 June 2022	8,326

This item includes costs related to fees paid to dealers and commercial intermediaries for customer acquisition. Increases for the period amounted to EUR 2.8 million, while depreciation for the period amounted to EUR 3.5 million. This item includes disposals for EUR 0.2 million of historical value (against EUR 0.2 million of accumulated depreciation).

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Property, Plant and Equipment (Note 15)

Movements in the first half of 2022 are shown in the following table:

Tangible assets	Plant & machinery	Other tangible assets	Tangible assets under construction	Total
<i>(EUR 000)</i>				
<u>HISTORICAL COST</u>				
1 January 2022	160,003	5,518	1,316	166,837
Increases	3,313	3	1,325	4,641
Disposal	(877)			(877)
Other Changes				
Reclassifications	15			15
30 June 2022	162,455	5,520	2,641	170,617
<u>ACCUMULATED DEPRECIATION</u>				
1 January 2022	135,733	4,635		140,367
Depreciation network equipment in leasing	6,831	34		6,865
Disposal	(875)			(875)
Reclassifications				
30 June 2022	141,689	4,669		146,358
<u>NET BOOK VALUE</u>				
1 January 2022	24,271	883	1,316	26,470
30 June 2022	20,766	851	2,641	24,259

The item *Plant and Machinery* for EUR 20.8 million includes specific network equipment such as routers, DSLAMs, servers and transmission equipment installed at ULL sites.

The item *Capital expenditure* for the period includes investments of EUR 3.3 million. This item includes the effects of the accounting elimination of assets that have completed their depreciation cycle for a historical value of EUR 0.9 thousand.

The item *Depreciation for the period* amounted to EUR 6.8 million.

The item *Other tangible assets*, whose balance amounted to EUR 0.9 million, includes furniture and fixtures, electronic and electromechanical office machinery, and motor vehicles. Depreciation for the period amounted to EUR 34,000.

The item *Tangible assets under construction and advances*, whose balance amounts to EUR 2.6 million, mainly include investments in network infrastructure. Investments in network infrastructure in

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the period amounted to EUR 1.3 million.

Investments evaluated at Equity Method (Note 16)

Investments evaluated at equity method <i>(EUR 000)</i>	30 June 2022	31 December 2021
Net	3,719	3,719
Total	3,719	3,719

This item includes the value of the subsidiary Janna, S.c.p.a., (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 a submarine fibre optic cable laid between Sardinia and the peninsula and between Sardinia and Sicily.

Other non-current financial assets (Note 17)

Other non-current financial assets <i>(EUR 000)</i>	30 June 2022	31 December 2021
Guarantee deposits	772	758
Other receivables	8	8
Total	780	766

Security deposits are represented by deposits paid in the context of the performance of business on contracts with a duration of several years.

Inventories (Note 18)

Inventories amount to EUR 0.1 million and relate to tablets or personal computers that are provided by Tiscali as part of the Ultrainternet Fibra Voucher offer.

Trade Receivables (Note 19)

Trade receivables <i>(EUR 000)</i>	30 June 2022	31 December 2021
Trade receivables	17,295	19,541
Write-down provision	(9,561)	(10,753)
Total	7,734	8,788

Trade Receivables, as at 30 June 2022, amounted to EUR 7.7 million, net of write-downs for a total of EUR 9.6 million, and originated from the sales of Fixed Broadband, Fixed Wireless and Mobile

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services, and from advertising sales.

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, considering the generic risk of receivables not past due at the reference date, which can be inferred from historical experience.

The following table shows the variations in the bad debt allowance during the respective years:

Bad debt allowance variations	30 June 2022	31 December 2021
<i>(EUR 000)</i>		
Bad debt allowance BoP	(10,753)	(12,872)
Provision	(2,935)	(5,041)
Utilizations	4,127	7,160
Bad debt allowance Eop	(9,561)	(10,753)

The total provision for the period amounted to EUR 2.9 million.

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

Tax Receivables (Note 20)

Tax receivables	30 June 2022	31 December 2021
<i>(EUR 000)</i>		
Tax receivables	3	3
Total	3	3

This item includes receivables for IRES and IRAP.

Other Receivables and Other Current Assets (Note 21)

Other Receivables and other Current Assets	30 June 2022	31 December 2021
<i>EUR 000</i>		
Other receivables	18,908	13,511
Prepaid expenses	3,827	2,354
Total	22,736	15,865

The item *Other receivables* includes the following:

- Receivables from a wholesale operator for EUR 10 million;

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- Tax credits allocated on investments in relation to the Bonus Sud, Industria 4.0 regulations for EUR 5.2 million. These credits generated an impact on the income statement for the year, recorded under Other income, for EUR 2.1 million;
- Receivables from Infratel for voucher contributions for EUR 1.2 million;
- Receivables from the Treasury for VAT amounting to EUR 2.1 million;
- Other receivables from tax authorities and social security institutions for EUR 0.2 million;
- Other receivables and advances to suppliers for the remaining amount of EUR 0.2 million.

The item *Prepaid Expenses*, whose balance amounts to EUR 3.8 million, includes costs already incurred and accrued in subsequent years, mainly related to multi-year line rental contracts, hardware and software maintenance costs, insurance and advertising costs.

Liquid Assets (Note 22)

Liquid assets as at 30 June 2022 amounted to EUR 5.9 million and included the Tiscali Group's liquidity, held mainly in bank accounts. There are no secured deposits.

Shareholders' Equity (Note 23)

Shareholders' equity	30 June 2022	31 December 2021
<i>EUR 000</i>		
Share capital	78,655	63,655
Legal Reserve	2,011	2,011
Stock Options Reserve		
Reserve for employees benefits	(1,701)	(1,701)
Accumulated losses and other reserves	(145,917)	(124,994)
Profit/(loss) for the year	(16,578)	(20,617)
Total Shareholders' equity	(83,529)	(81,646)

Changes in Shareholders' Equity items are shown in the relevant table. As at 30 June 2022, share capital amounted to EUR 78.7 million, corresponding to 68,985,856 shares with no par value.

The EUR 15 million increase in share capital compared to 31 December 2021 was due to the conversion of the five tranches of a nominal value of EUR 3 million each and related to the bond loan subscribed by Nice & Green SA. The conversion took place on 7 January 2022, 16 March 2022, 13 April 2022 and 4 May 2022, respectively.

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Shareholders' Equity also decreased during the period due to the negative result for the year, amounting to EUR 16.6 million.

In addition, there was a decrease of EUR 0.3 million due to charges connected to the conversion of the five tranches of the POC.

Minority Interest (Note 24)

As at 30 June 2022, the balance of *Minority interests* is nil (nil also as at 31 December 2021).

Current and Non-Current Financial Liabilities (Note 25)

Senior Loan

With reference to the Senior Loan, on 22 July 2022 Tiscali signed certain agreements aimed at rescheduling the maturities and the cost of the Senior Loan (hereinafter also referred to as the "Amendment Agreements"), which supersede the previous Amendment Agreements signed on 7 October 2021.

The Amendment Agreements make the following changes, with respect to the previous agreements:

- A change in the debt repayment profile, providing for an early repayment of EUR 2.6 million to be made on 30 September 2022 and two repayments of EUR 650,000 to be made on 31 January 2023 and 28 February 2023, respectively;
- An increase in the interest rate from 1%-1.25% to 2% on all tranches.

The signing of these Agreements made possible the fulfilment of a condition precedent to the Merger Transaction, as it allowed the approval of the Bank Pool to the Merger Transaction itself, thus overcoming the constraint included in the Amendment Agreements of 7 October 2021.

The new amortisation schedule of the Senior Loan is compatible with the cash flows expected by the Group and included in the 2022-2025 Business Plan.

Mandatory convertible bonds reserved for Nice&Green S.A.

On 14 May 2021, the Company signed an Investment Agreement with the Investor N&G for the subscription of a mandatory convertible bond loan for a total amount of EUR 21 million, divided into seven tranches, with the option to renew for a further total amount of EUR 21 million. In this regard, following the issue of the seventh and final tranche of the bond loan, the Company exercised its right to renew the loan for a further seven tranches, for a total amount of a further EUR 21 million. As at the

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date of this Report, Tiscali has drawn all tranches relating to the first EUR 21 million, as well as three tranches out of the EUR 21 million relating to the renewed POC. As at 30 June 2022, and with reference to this last POC, two of the three tranches drawn were converted, while the third tranche was converted in July 2022.

Current financial liabilities	30 June 2022	31 December 2021
<i>(EUR 000)</i>		
Convertible bond	3,000	6,000
Payables to banks and other financing parties	6,158	3,323
Payables for finance leases (short term)	6,300	7,773
Total	15,458	17,096

Current Financial Liabilities
Bond Loan

The item relating to the Convertible Bond Loan of EUR 3 million refers to the issue of the third tranche of the renewed POC reserved for Nice & Green S.A., consisting of 30 bonds with a unit value of EUR 100,000 each, for a total amount of EUR 3,000,000 and converted into Tiscali ordinary shares on 29 July 2022.

Payables to banks and other financing parties – Current portion

The item *Payables to Banks*, amounting to approximately EUR 6.2 million, includes the following items:

- The short-term Senior Loan component for EUR 3.1 million;
- Bank borrowings for EUR 2.1 million;
- A loan with the company Sarda Factoring for EUR 1 million.

Payables for finance leases – Current portion

This item amounts to EUR 6.3 million and includes the following elements:

- Current portion of payables to leasing companies for finance leases in the amount of EUR 0.7 million;
- Current portion of payables for operating leases for EUR 5.6 million. In particular, this amount includes the short-term portion of the debt arising from the recognition pursuant to IFRS 16 of

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the lease agreement for the Sa Illetta headquarters for EUR 2.3 million, as well as the short-term portion of the debt arising from the operating leases of network equipment for EUR 3.3 million.

Non-current financial Liabilities

Non Current financial liabilities	30 June 2022	31 December 2021
<i>(EUR 000)</i>		
Payables to banks and other financing parties	68,536	70,215
Payables for finance leases (long term)	11,331	13,061
Total	79,867	83,276

Payables to banks and other financing parties

This item includes the long-term portion of the debt to Senior Lenders in the amount of EUR 65 million.

Payables for finance leases – long-term portion

This item includes the long-term portion of payables for operating leases for EUR 11.3 million. In particular, this amount includes the long-term portion representing the right of use of the Sa Illetta headquarters for EUR 8.8 million and the long-term portion representing the right of use of certain network equipment for EUR 2.5 million.

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Net Financial Position

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

Net Financial Position	30 June 2022	31 December 2021
<i>(EUR 000)</i>		
A. Cash and bank deposits	5,881	11,614
B. Cash equivalents		
C. Securities held for trading		
D. Cash and cash equivalents (A) + (B) + (C)	5,881	11,614
E. Current financial debt	12,350	16,863
F. Current portion of non-current financial debt	3,108	233
G. Current financial indebtedness (E + F)	15,458	17,096
H. Net current financial indebtedness (G - D)	9,577	5,482
I. Non-current financial debt	79,867	83,276
J. Debt instruments		
K. Trade and other non-current payables	12,187	11,743
L. Non-current financial indebtedness (I + J + K)	92,054	95,019
M. Net financial indebtedness (H + L)	101,631	100,501

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

The table below shows the reconciliation between the Net Financial Position drawn up on the basis of the CONSOB communication and the Net Financial Position as show in the Management Report.

	30 June 2022	31 December 2021
<i>(EUR mln)</i>		
Consolidated net financial debt	88.7	88.0
Non-current financial receivables	0.8	0.7
Long-term trade payables and instalment tax payables	12.2	11.7
Consolidated net financial debt prepared on the basis of Consob communication No. 5/21 dated 29 April 2021	101.6	100.5

It should also be noted that the amount of payables to suppliers and payables to other parties overdue

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by more than 12 months, as at 30 June 2022, was EUR 6 million, against an amount of EUR 7.8 million as at 31 December 2021. It should be noted that the employee severance indemnity payable to the company as at 30 June 2022 amounted to EUR 2.9 million (against an amount of EUR 2.6 million as at 31 December 2021).

The gross financial debt (current and non-current) identified above, equal to EUR 107.5 million, is composed of the items shown in the following table:

Breakdown of current and non current debt	30 June 2022	Current portion	Non-current portion
<i>(EUR 000)</i>			
Senior debt	71,644	3,108	68,536
Bonds issued	3,000	3,000	
Bank payables	2,060	2,060	
Total Senior debts and other bank payables	76,704	8,168	68,536
Payables to leasing companies	17,631	6,300	11,331
Other financial payables (incl factoring)	990	990	-
Trade payables and other non-current payables	12,187		12,187
Total payables to leasing companies and other financial payables	30,808	7,290	23,518
Total indebtedness	107,512	15,458	92,054

The main items in the above table are as follows:

- Senior debt under the Senior Loan Amendment Agreements signed on 7 October 2021 with Intesa San Paolo and Banco BPM for EUR 68.2 million;
- Intesa Sanpaolo (former Cassa di Risparmio dell'Umbria) loan under the Amendment Agreements signed on 7 October 2021 for EUR 3.5 million;
- Issue of the third tranche of the renewal of the POC (the tenth in total) reserved for Nice & Green S.A. subsequently converted into Tiscali ordinary shares on 29 July 2022 for a total of EUR 3 million;
- Credit line granted by Banco di Sardegna for EUR 2.1 million;
- Payables for finance lease contracts for EUR 0.7 million;

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- Payables for operating lease agreements for EUR 16.9 million. This amount includes the operating lease agreement for the Sa Illetta premises for EUR 11.1 million. The remaining amount of EUR 5.8 million refers to operating lease agreements for network equipment;
- Other financial payables (Sarda Factoring) for EUR 1 million;
- Long-term component of trade payables and tax payables in instalments of EUR 12.2 million.

The table below shows the cash and non-cash variations of financial liabilities that occurred in the first half of 2022:

Cash and no cash variations of Financial liabilities	31 December 2021	Cash movements (repayments/ new debt)	Cash movements (senior loan set up fees)	Accrued Interests	No Cash movements _Discounting Income	Bond Conversion to Capital Increase	30 June 2022
<i>(EUR 000)</i>							
Senior debt	70,448	(448)		1,644			71,644
Bonds issued	6,000	11,460		540		(15,000)	3,000
Bank payables	2,100	(40)					2,060
Leasing	20,833	(3,914)		712			17,631
Other finance liabilities _Sarda Factoring	990						990
Other finance liabilities _Put Option Bond							
Trade payables and other non-current payables	11,743	444					12,187
Financial liabilities	112,115	7,501		2,896		(15,000)	107,512

Event of default.

As is customary in structured finance contracts, the financial documents concerning the Senior Loan provides for a number of "events of default" upon the occurrence of specific events, such as: (i) failure to fulfil payment obligations; (ii) failure to fulfil the commitments contractually agreed upon; (iii) failure to comply with the financial covenants; (iv) false statements; (v) failure to execute or violation of guarantee documents; (vi) significant cross-default events; (vii) significant "warnings" or "qualifications" by the auditing company; (viii) insolvency, liquidation and winding up of significant group companies; (ix) initiation of insolvency proceedings; (x) initiation of payment enforcing procedures against the Group; (xi) loss of significant disputes; (xii) termination of significant activities of Group companies; (xiii) occurrence of an event that has a negative effect on the Group's business.

As at 30 June 2022, the covenants set forth in the loan agreements were met.

The following table summarises the main elements of the loan as at 30 June 2022 (nominal values as at 30 June 2022):

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Loan	Amount	Due date	Senior Lenders	Contractor	Guarantors
Tranche A	15.0	31-mar-25	Banco BPM	Tiscali Italia S.p.A.	Tiscali S.p.A
Tranche B	8.3	31-mar-26	Banco BPM		Tiscali International BV Tiscali Financial Services SA

Loan	Amount	Due date	Senior Lenders	Contractor	Guarantors
Tranche A	10.0	31-mar-25	Intesa San Paolo S.p.A.	Tiscali Italia S.p.A.	Tiscali S.p.A
Tranche B	42.6	31-mar-25	Intesa San Paolo S.p.A.		Tiscali International BV Tiscali Financial Services SA

Other Non-Current Liabilities (Note 26)

Other non-current liabilities (EUR 000)	30 June 2022	31 December 2021
Trade payables	8,479	7,635
Other payables	8,855	10,976
Total	17,334	18,611

The item *Trade Payables* relates to the long-term component of trade payables. These payables are recognised at amortised cost.

The item *Other payables* of EUR 8.9 million decreased by about EUR 2.1 million in the period and mainly comprise:

- The long-term component of the deferral of tax credits in the amount of EUR 3.6 million (compared to EUR 5.2 million recognised as current assets). As at 31 December 2021, this component amounted to EUR 5.3 million;
- EUR 3.7 million in tax payables for tax bills to be settled in the long term (EUR 4.1 million as at 31 December 2021);
- EUR 1 million in payables to Engineering related to employee severance indemnity provision, arising from the lease of the company branch to Engineering itself (debt unchanged from 31 December 2021);
- EUR 0.2 million for security deposits with customers (EUR 0.2 million as at 31 December 2021);
- EUR 0.4 million to the related company Janna S.c.p.a. (EUR 0.4 million as at 31 December 2021).

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Liabilities for staff severance indemnities (Note 27)

The table below shows the variations during the period:

<i>(EUR/000)</i>	31 December 2021	Accruals	Payments to Funds (*)	Reclass from OCI Reserve to Other reserve	30 June 2022
	2,615	701	(530)	198	2,934
Total	2,615	701	(530)	198	2,934

(*) *These are payments made to treasury funds and other supplementary pension funds.*

The provision for severance indemnities, which includes indemnities accrued mainly in favour of employees, refers to the Parent Company and subsidiaries operating in Italy and amounts to EUR 2.9 million as at 30 June 2022. Given the insignificance of the adjustment to the actuarial estimates of the provision for severance indemnity, the valuation process of assets/liabilities related to defined benefit plan obligations is carried out only at year-end, unless there are indicators that lead to believe that an update of the estimate is necessary during the year.

Provisions for Risks and Charges (Note 28)

<i>(EUR 000)</i>	31 December 2021	Increases in provision	Utilisations - Cash out	Utilisations - Release to PL	Other variations (Reclass)	30 June 2022
Tax Fund	25					25
Provision for network infrastructure restructuring	1,821		(286)			1,535
Customers Supplementary Indemnity Fund	617	6	(15)			608
Employee disputes risk fund	292	16	(12)	(7)		289
Other provisions for risks and charges	1,370	2,000	(338)	(251)	(143)	2,638
Total	4,124	2,022	(652)	(258)	(143)	5,094

As at 30 June 2022, the provision for risks and charges amounted to EUR 5.1 million, and mainly includes :

- EUR 1.5 million for provisions against charges to be incurred for the rationalisation of the network infrastructure;
- EUR 0.6 million for provisions for agents' termination indemnity;
- EUR 0.3 million related to provisions for legal disputes with personnel;

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- EUR 2.6 million for other provisions for risks and charges.

Provisions made in the period amounted to approximately EUR 2 million and were mainly attributable to the provision related to the dispute with Engineering Sardegna for EUR 2 million.

Monetary uses in the period, amounting to EUR 0.7 million, mainly related to the payment of penalties and interest on the 2019 VAT credit unduly offset for EUR 0.3 million and the restructuring of the network infrastructure for EUR 0.3 million.

In addition, EUR 0.3 million was released to the income statement, attributable to the release of other provisions for risks and charges. Reclassifications amounting to EUR 0.1 million refer to the utilisation of the provision for risks in connection with invoices to be issued.

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

Trade Payables (Note 29)

Trade payables	30 June 2022	31 December 2021
<i>(EUR 000)</i>		
Trade payables	69,798	68,436
Total	69,798	68,436

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 (mainly LTE network infrastructure).

As at 30 June 2022, net trade payables past due (net of payment plans agreed with suppliers, accounts receivable and in dispute with the same suppliers) amounted to EUR 14.8 million (EUR 21.4 million as at 31 December 2021).

Tax Payables (Note 30)

Tax payables	30 June 2022	31 December 2021
<i>EUR 000</i>		
Tax payables	203	203
Total	203	203

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This item includes the IRAP liability (netted from any receivables) recognised in the financial statements of Group companies.

Other Current Liabilities (Note 31)

Other current liabilities	30 June 2022	31 December 2021
<i>(EUR 000)</i>		
Accrued expenses	1,585	920
Deferred income	15,775	17,227
Other payables	10,605	12,375
Total	27,965	30,521

Accrued Expenses mainly relate to staffing costs.

Deferred Income of EUR 15.8 million mainly relate to:

- The short-term portion of the deferral of tax credits for bonus Sud-Industria 4.0 for EUR 3.6 million (compared to EUR 5.2 million recognised as current assets);
- The deferral of revenues for the activation of Fixed and Fixed Wireless broadband and voice, and mobile services, for the portion not pertaining to the Group for about EUR 9.8 million (EUR 11 million as at 31 December 2021);
- The deferral of revenues from the sale of transmission capacity (IRU), accrued in future years, for about EUR 2.4 million (EUR 2.2 million as at 31 December 2021).

Other Payables, amounting to EUR 10.6 million, mainly includes:

- Other payables in the amount of EUR 4.5 million (EUR 5.6 million as at 31 December 2021) mainly comprised payables to other public entities.
- Tax and social security payables of about EUR 4.2 million (EUR 4.7 million as at 31 December 2021);
- Payables to employees of EUR 1.4 million (EUR 1.3 million as of 31 December 2021);
- Payables for penalties and interest on outstanding tax payables of EUR 0.3 million;
- Other payables of EUR 0.2 million.

Disputes, contingent liabilities and commitments

During the normal course of its business, the Tiscali Group is involved in certain legal and arbitration proceedings, as well as being subject to tax audit.

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The following is a summary of the main proceedings in which the Group is involved.

Civil and administrative proceedings*Opposition to Qualta injunction*

On 7 February 2019, Qualta S.p.A. served an order for payment on Tiscali Italia S.p.A. for the maintenance of computer systems. The Company filed an appeal with the Court of Rome asking the judge to rule on the non-existence of the conditions for granting provisional enforceability. In addition, Tiscali Italia S.p.A. believes that the payment order is inadmissible and illegitimate, as well as manifestly unfounded in fact and in law, depending on the breaches committed by Qualta, which must be ascertained and quantified during the course of the proceedings. The amount of the liability is recorded under payables to service providers.

The Court of Rome found that it lacked territorial jurisdiction and consequently declared null and void the injunction obtained by Qualta, which resumed proceedings in May 2021 before the Court of Cagliari. Following the bankruptcy of Qualta, the litigation was interrupted and subsequently resumed by Tiscali Italia against the receiver. In August 2022, the Company reached a settlement with the receiver to resolve the dispute.

Engineering Sardegna S.r.l.

With an appeal pursuant to Article No. 700 of the Code of Civil Procedure filed on 08 October 2021, Tiscali requested the Court of Cagliari to urgently order Engineering Sardegna S.r.l. to return “- *The current branch of business in Cagliari, Loc. Sa Illetta, deputed to the performance of IT services, including all the assets, rights and relationships indicated in the private deed dated 2 February 2017 authenticated in the signatures by notary Capasso of Milan Repertory 947726/38600; - The workstations and equipped spaces covered by the Facility Management contract signed on 1 February 2017*”. Engineering Sardegna appeared in Court contesting the grounds of the claim and requesting its rejection. At the hearing of 16. December 2021, the Court reserved the right to decide, and the reserve has not yet been lifted.

BT Italia S.p.A

By ordinary summons, Tiscali requested the Court of Milan to ascertain and declare that Tiscali Italia S.p.a. has a claim against BT Italia S.p.a, in the amount of EUR 790,400.00 plus VAT, equal to the monetary countervalue of the claim relating to rights on optical fibre and/or other services recognised under the agreement entered into between the parties on 30 April 2018 and, accordingly, order BT

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Italia S.p.a. to pay, in favour of Tiscali Italia S.p.a., the aforementioned amount of EUR 790,400.00 plus VAT, to be increased by interest and monetary revaluation, from the demand until settlement. The proceedings are currently in progress with a hearing to be held on 1 December 2022 for the definition of the conclusions.

Fair Value

In order to provide the classification of financial instruments at fair value as required by IFRS 13, determined on the basis of the quality of the sources of inputs used in the assessment, the fair value measurements of the Group's financial instruments have been classified in the 3 levels established by IFRS 7. In particular, the hierarchy of fair value consists of the following levels:

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

It should be noted that in the first half of 2022 there were no assets/liabilities recognised at fair value as per the above detailed parameters.

Segment Reporting

Segment reporting is presented on the basis of the following segments:

- Access (BTC and BTB connectivity);
- Corporate.

The Corporate Segment includes the holding company Tiscali Spa, minor Italian companies, foreign "dormants" and consolidation adjustments and eliminations.

The income statement and balance sheet structure by business segment for the half-years 2022 and 2021, respectively, are shown below.

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30 June 2022	Access (BTC connectivity and BTB)	Corporate	Total
<i>(Thousands of EUR)</i>			
Revenue			
From third parties	63,950	9	63,959
Intra-group	97	(97)	-
Total revenues	64,047	(88)	63,959
Operating profit	(11,347)	(1,209)	(12,556)
Result on Investments at equity method			(200)
Financial Income			1
Financial Expenses			3,822
Pre-tax result			(16,577)
Income taxes			1
Net result from operating activities (on-going)			(16,578)
Income from held for sale and discontinued operations			-
Net operating income			(16,578)

30 June 2021	Access (BTC connectivity and BTB)	Corporate	Total
<i>(Thousands of EUR)</i>			
Revenue			
From third parties	72.933	15	72.947
Intra-group	138	(138)	-
Total revenues	73.071	(123)	72.947
Operating profit	(6.660)	(1.960)	(8.621)
Result on Investments at equity method			(161)
Financial Income			
Financial Expenses			3.711
Pre-tax result			(12.492)
Income taxes			
Net result from operating activities (on-going)			(12.492)
Income from held for sale and discontinued operations			-
Net operating income			(12.492)

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30 June 2022 <i>(Euro 000)</i>	Access (BTC connectivity and BTB)	Corporate adjustments	Total
Assets			
Segment assets	128,298	3,107	131,405
Equity investments carried at equity	-	-	-
Equity investments in other companies	3,719	-	3,719
Goodwill	-	-	-
Assets held for sale	-	-	-
Total consolidated assets	132,017	3,107	135,124
Liabilities			
Segments liabilities	210,656	7,997	218,653
Liabilities held for sale	-	-	-
Total consolidated liabilities	210,656	7,997	218,653

31 December 2021 <i>(Euro 000)</i>	Access (BTC connectivity and BTB)	Corporate adjustments	Total
Assets			
Segment assets	135,410	4,108	139,518
Equity investments carried at equity	-	-	-
Equity investments in other companies	3,719	-	3,719
Goodwill	-	-	-
Assets held for sale	-	-	-
Total consolidated assets	139,128	4,108	143,236
Liabilities			
Segments liabilities	213,701	11,182	224,882
Liabilities held for sale	-	-	-
Total consolidated liabilities	213,701	11,182	224,882

Non-Recurring Transactions

Under the provisions of the CONSOB Resolution No. 15519 dated 27 July 2006, it is reported that in the first half of 2022 non-recurring transactions were recorded with a total positive effect on the Group's income statement of EUR 6.9 million. For the purposes of providing the information required by Consob Resolution No. 15519 of 27 July 2006, *Non-Recurring Transactions* were considered those that are not part of the Group's ordinary operations, even when they occurred in previous years or are expected to occur in future years.

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The following table shows the amounts relating to non-recurring transactions in the consolidated income statement:

Non-recurring transactions	1st semester 2022	1st semester 2021
Revenue		-
Other income	10.0	0.0
Purchase of external materials and services	0.0	0.0
Personnel costs	0.0	0.0
Write-downs accounts receivable from customers	0.0	0.0
Gross Operating Result (EBITDA)	10.0	0.0
Amortization & depreciation, restructuring costs, provision for risks and other devaluation	(3.1)	0.0
Operating profit (EBIT)	6.9	0.0
Financial income	0.0	0.0
Financial expenses	0.0	0.0
Pre-tax profit	6.9	0.0
Income taxes	0.0	0.0
Net result from operating activities (ongoing)	6.9	0.0
Other charges related to held for sale	0.0	0.0
Net result for the period	6.9	0.0

Atypical and/or Unusual Transactions

Pursuant to the CONSOB Communication dated 28 July 2006, it is hereby specified that during the first half of 2021 the Company did not enter into any atypical and/or unusual transactions, as defined by the above-mentioned Communication.

Related-Party Transactions
Procedure

The document illustrating the procedure for the discipline of related parties can be found at www.tiscali.com/procedure.

Dealings with non-consolidated Group companies

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

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Dealings with other related parties

During the year, the Tiscali Group had a number of dealings with related parties, under conditions considered normal on the respective reference markets, considering the characteristics of the goods and services provided.

The table below summarises the balance sheet and income statement values recorded in the Tiscali Group's Consolidated Financial Statements as at 30 June 2022 and 31 December 2021 as comparison data, as arising from transactions with related parties:

Income Statement	Note	1st semester 2022	1st semester 2021
<i>(EUR 000)</i>			
Monteverdi S.r.l.	1	(15)	(15)
Istella	2	()	(89)
CC & Soci	3	(71)	(275)
Open Campus	4	20	48
Cuccureddus S.r.l.	5	1	1
Lai Dolores	6	(21)	(31)
Close AD family employees	7	(50)	(56)
Directors		(639)	(895)
Total Suppliers of Materials and Services		(775)	(1,312)
Total Expenses & Income		(775)	(1,312)

Balance Sheet	Note	30 June 2022	31 December 2021
<i>(EUR 000)</i>			
Monteverdi S.r.l.	1	(41)	(43)
Istella	2	474	741
CC & Soci	3	(122)	(122)
Open Campus	4	112	117
Cuccureddus S.r.l.	5	6	5
Lai Dolores	6	(3)	(3)
Close AD family employees	7	(8)	(8)
Directors		(502)	(519)
Receivable from Istella sale	8	11	11

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Total Suppliers of Materials and Services	(73)	179
Net assets pertaining to the Group		
Total	(73)	179

Key: In the table above, in the economic values, costs are represented with a negative sign and revenues with a positive sign. In the balance sheet, payables are shown with a negative sign and receivables with a positive sign.

1. *Monteverdi S.r.l.:* Company in which the Company's CEO and major shareholder, Renato Soru, holds an equity interest. The relationship in question refers to a contract for the lease of a space used to store company documents;
2. *Istella:* Company partially owned in part by Renato Soru, the Company's CEO and major shareholder. The report in question refers to the supply, by Tiscali, of IT services (hosting of network equipment), as of October 2018. In addition, as of December 2019, Istella provides Tiscali with consulting services for software development and support for customer care automation;
3. *CC&Soci:* the company CC&Soci Srl, controlled by CC Holding Srl, which holds a stake of approximately 11.8% in Amsicora S.r.l. (a shareholder of the company with an 8.12% stake as at 30 June 2022), has stipulated a contract with Tiscali Spa for the provision of financial advisory services;
4. *Open Campus:* a company 80% owned by Alice Soru, daughter of CEO Renato Soru. Tiscali Italia has two contracts with Open Campus. Under the first contract Tiscali Italia buys brand promotion services from Open Campus, while under the second contract it offers the latter hospitality services at the Sa Illetta campus. The two contracts are not related.
5. *Cuccureddus s.r.l.:* Tiscali Italia has an existing contract with this company for the provision of connectivity services at the location called Is Cuccureddus in the territory of Villasimius. The company's legal representative is Michelangelo Soru, son of CEO Renato Soru.
6. *Dolores Lai:* Tiscali Italia has a consultancy contract with lawyer Dolores Lai, for legal consultancy services in the privacy field. Lawyer Lai is the spouse of CEO Renato Soru.
7. *The costs and payables reported in this line are related to some close relatives of the CEO Renato Soru, who are employees of Tiscali Italia*
8. *Receivables arising from the sale of Istella. These are receivables due from the purchaser of Istella (Renato Soru) in relation to the sale of the company itself carried out on 16 October 2017.*

List of subsidiaries included in the consolidation area

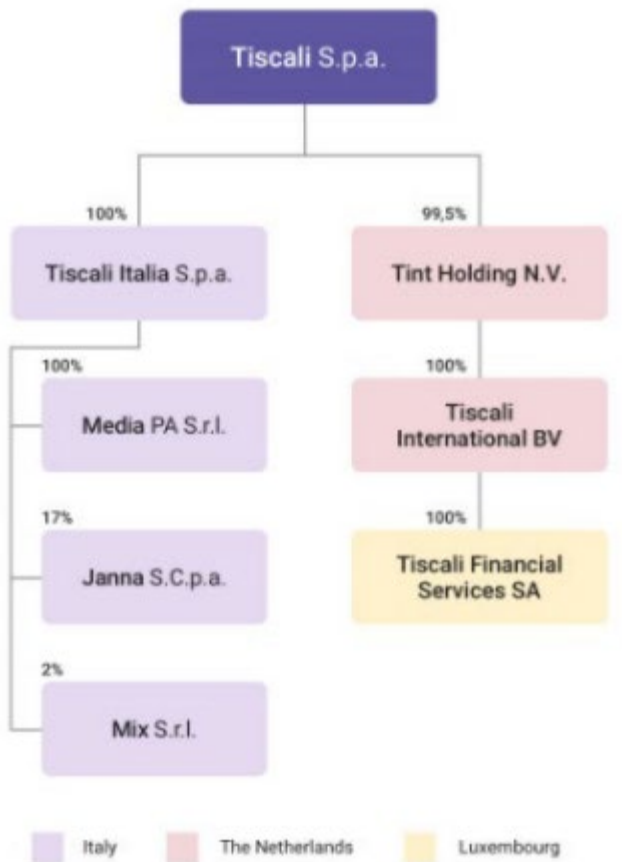
A list of the companies included in the consolidation area follows:

Name	Location	% of participation
Tiscali S.p.A.	Italy	
Tiscali Italia S.p.A.	Italy	100,00%
Media PA S.r.l.	Italy	100,00%
Tint Holding Nv	The Netherland	99,50%
Tiscali International BV	The Netherland	99,50%
Tiscali Financial Services SA	Luxembourg	99,50%

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List of equity investments in other companies recognised under other non-current financial assets:

Mix S.r.l.	Italy
Janna S.c.p.a.	Italy

The Tiscali Group as at 30 June 2022:


Cagliari, 12 September 2022

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

Silvia Marchesoli


Half-Year Consolidated Financial Report as at 30 June 2022**Certification of the Consolidated Financial Statements as at 30 June 2021 in compliance with Article No. 81-ter of the CONSOB Regulation No. 11971 dated 14 May 1999 and subsequent amendments and additions**

The undersigned, Davide Rota in his capacity of Chief Executive Officer, and Silvia Marchesoli, in his capacity of the Executive in charge of Preparing the Company's Accounting Documents of Tiscali 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 six-month period ended 30 June 2022.

Tiscali 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 2022:

- 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.

Lastly, it is hereby certified that the Management Report includes a reliable analysis of the references to important events which have taken place during the year and of their effect on the Abridged Consolidated Half-Year Financial Statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

Cagliari, 12 September 2022

The Chief Executive Officer

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

Davide Rota



Silvia Marchesoli



6 Glossary

<i>Shared access</i>	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.
<i>ADSL</i>	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.
<i>ADSL2+</i>	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.
<i>Areas not covered</i>	Also called "indirect access areas", they identify geographical areas that are not directly served by the Tiscali network (see also Bitstream and Wholesale).
<i>ARPU</i>	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.
<i>Bitstream</i>	<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.
<i>Broadband</i>	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.
<i>Broadcast</i>	Simultaneous transmission of information to all nodes of a network.

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Unique browsers	The number of different browsers that, in a determined period of time, access a site one or more times.
Access fee	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”.
Capex	Acronym for Capital Expenditure. Identifies outgoing cash flows generated by investments in the operating structure.
Carrier	Company that makes the telecommunication network physically available.
Co-location	Dedicated spaces in the machine rooms of an incumbent operator for the installation by Tiscali of its own network devices.
CPS	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.
CS	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.
Business customers	SoHos, small medium and large businesses.
Consumer customers	Customers who subscribe to an offer intended for households.
Dial Up	Narrowband internet connection by means of a normal telephone call, usually charged on a time basis.
Digital	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.
Double Play	Combined offer of access to the Internet and fixed telephony.
DSL Network	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.

DSLAM

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.

Fiber Optic

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.

GigaEthernet

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.

Home Network

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.

Hosting

Service that consists of allocating on a web server the pages of a website, thus making it accessible from the internet network.

Incumbent

Former monopoly operator active in the telecommunications field.

IP

Acronym for Internet Protocol, a protocol for interconnecting networks (Inter-Networking Protocol), created for interconnecting ungrouped networks by technology, services and handling.

IPTV

Acronym for Internet Protocol Television, a technology suited for using the IP transport technology to carry television content in digital form, using internet connections.

IRU

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.

ISDN 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.

Internet Service Provider or ISP Company that provides Internet access to single users or organizations.

Leased lines Lines whose transmission capacity is made available through leasing contracts for the transmission capacity.

LTE-TDD 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.

MAN Acronym for Metropolitan Area Network, a fiber optic network that extends across a metropolitan area and links a Core Network to an Access Network.

Mbps Acronym for megabit per second, a unit of measurement that states the capacity (and thus the speed) of data transmission along a computer network.

Modem 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.

MNO 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).

MPF 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.

MSAN

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

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	costs that are recoded in the income statement.
<i>Pay-Per-View</i>	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.
<i>Pay TV</i>	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.
<i>Platform</i>	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).
<i>POP</i>	Acronym for Point of Presence, a site at which telecommunications apparatus is installed and that forms a node on the network.
<i>Portal</i>	Website that forms a point of departure or an entry point for a major group of Internet resources or an Intranet.
<i>Router</i>	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.
<i>Service Provider</i>	Party that provides end users and content providers with a range of service, including that of an owned, leased or third-party service center.
<i>Server</i>	Computer component that provides services to other components (typically client calls) via a network.
<i>Set-top-box o STB</i>	Device able to handle and route data, voice and television connections, installed at the end user's premises.
<i>Syndication</i>	The sale of radio and TV transmissions wholesale by a media company that owns the rights and usually the delivery platform also.
<i>SoHo</i>	Acronym for Small Office Home office, for small offices, mostly professional offices or small firms.
<i>SHDSL</i>	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

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	both directions (transmission and reception).
Single Play	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.
Single Play voice	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.
SMPF	Acronym for Shared Metallic Path Facilities, which is synonymous with Shared Access (ungrouped access).
Triple Play	A combined offering of fixed and/or mobile telephony, Internet and/or TV made by a single operator.
Local loop unbundling or LLU	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.
VAS	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

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	telephone services.
VISP	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.
VoD	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.
VoIP	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.
VPN	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.
Virtual local loop unbundling or VLLU	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.
xDSL	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.
WI-FI	Service for connection to the internet at high speed wirelessly.
Wi-Max	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

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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.

Wholesale

Services that consist of the sale of access services to third parties.

7 Limited audit report on the Abridged Consolidated Half-Year Financial Statements