



ANNUAL REPORT

December 31, 2025

FiberCop S.p.A.

Registered office in Milan - Via Marco Aurelio, 24 20127

Fully paid-up share capital: €17.835.900

Tax number and company registration number:

11459900962 REA Number: MI - 2604085

Managed and coordinated by Optics HoldCo S.r.l.

TABLE OF CONTENTS

Introduction	7
MANAGEMENT REPORT	9
Management discussion, analysis of the Group's financial position and results of operations	10
Structure and activities of the Group	10
Significant events during the year	11
Alternative performance indicators	12
Group performance	15
Group balance sheet and financial performance	16
Key economic, financial and operating data of the Group.....	21
Competitive environment and regulatory framework	21
Personnel and sustainability	24
Research and development	27
Risk management	30
Transactions with related parties.....	39
Business Outlook	40
FiberCop S.p.A.	40
Alternative performance indicators	40
Key economic, financial and operating data of the Company	43
Reconciliation of the Parent Company's shareholders' equity.....	43
Treasury shares and shares of the parent company.....	44
SEPARATE ANNUAL FINANCIAL STATEMENTS.....	45
SEPARATE INCOME STATEMENT	46
SEPARATE STATEMENT OF COMPREHENSIVE INCOME/(LOSS)	47
SEPARATE STATEMENT OF FINANCIAL POSITION.....	48
SEPARATE CASH FLOW STATEMENT	50
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	52
EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025	54
1. General information.....	54
2. Basis of preparation	55
3. Accounting principles and estimates.....	56
4. Estimates and material assumptions	70
5. Business combinations	73
6. Revenues	75
7. Costs of goods and services.....	76
8. Personnel costs.....	76
9. Other operating (expenses)/income	77
10. Restructuring and non-recurring items.....	77

11.	Depreciation and amortization	78
12.	Financial income, financial expenses and exchange gains/(losses)	79
13.	Income taxes	80
14.	Intangible assets.....	83
15.	Property, plant and equipment.....	85
16.	Rights of use assets.....	86
17.	Current and non-current financial assets.....	87
18.	Trade receivables.....	88
19.	Other current and non-current assets	89
20.	Equity	89
21.	Current and non-current financial debt	91
22.	Derivative financial instruments	94
23.	Employee benefits	95
24.	Current and non-current provision.....	96
25.	Trade payables.....	97
26.	Other current and non-current liabilities.....	98
27.	Fair value measurement	98
28.	Qualitative and quantitative information on financial risks	100
29.	Transactions with related parties.....	103
30.	Other information.....	106
31.	Subsequent events.....	109
32.	Proposal for the allocation of the result for the year	110
	AUDITORS' REPORT	111
	CONSOLIDATED ANNUAL FINANCIAL STATEMENTS.....	115
	CONSOLIDATED INCOME STATEMENT	116
	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)	117
	CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	118
	CONSOLIDATED CASH FLOW STATEMENT	120
	STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY	122
	EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED	
	DECEMBER 31, 2025	124
1.	General information.....	124
2.	Basis of preparation	124
3.	Summary of the accounting policies applied.....	126
4.	Estimates and material assumptions.....	140
5.	Business combinations	143
6.	Revenues.....	145
7.	Costs of goods and services.....	146
8.	Personnel costs.....	146
9.	Other operating (expenses)/income	147
10.	Restructuring and non-recurring items.....	148

FiberCop S.p.A.

11.	Depreciation and amortization	148
12.	Financial income, financial expenses and exchange gains/(losses)	149
13.	Income taxes	150
14.	Intangible assets.....	153
15.	Property, plants and equipment	155
16.	Rights of use assets	156
17.	Current and non-current financial assets.....	156
18.	Trade receivables.....	157
19.	Other current and non-current assets	158
20.	Equity	159
21.	Current and non-current financial debt	160
22.	Derivative financial instruments	163
23.	Employee benefits	164
24.	Current and non-current provisions	166
25.	Trade payables.....	167
26.	Other current and non-current liabilities.....	168
27.	Fair value measurement	168
28.	Qualitative and quantitative information on financial risks	170
29.	Transactions with related parties.....	172
30.	Other information.....	176
31.	Subsequent events.....	178
AUDITORS' REPORT		180

Board of Directors

Chairman and Chief Executive Officer

Massimo Sarmi

Directors

Alexandre Adrien Van Meeuwen
Batiste Thomas Degaris Ogier
Gabriele Questa
Graham Alan Davies
Jamai Mamoun
James Anthony Gordon
Laurent Fortino
Manilo Marocco
Marco Fontana
Mauro Miglio
Shuter Robert Andrew
Simone Vellucci
Tara Courtney Davies

Board of Statutory Auditors

Chairman

Daniela Travella

Effective Statutory Auditors

Giovanni Maria Garegnani
Mauro Zanin

Deputy Statutory Auditors

Maurizio Accarino
Valentina Cortellazzi

Manager in charge

Claudio Avitabile

Independent Auditors

EY S.p.A.



Introduction

This document includes the consolidated and separate financial statements of FiberCop S.p.A. (hereinafter "**FiberCop**" or the "**Company**" and together with its consolidated subsidiary, the "**Group**") for the year ended December 31, 2025, prepared in accordance with international accounting standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and adopted by the European Union.

Criteria for preparing the consolidated financial statements

These consolidated financial statements represent the first consolidated annual financial statements of FiberCop S.p.A., prepared following the establishment, in May 2025, of the company FiberCop Insurance Broker S.r.l. ("**FiberCop Insurance Broker**" or "**FIB**"), operating as an insurance intermediary by the Institute for the Supervision of Insurance ("**IVASS**"), established with the aim of identifying and structuring tailor-made insurance coverage, wholly owned by FiberCop S.p.A. and which ends its first financial year on 31 December 2025. Therefore, the comparative period shown in these financial statements coincides with the financial year ended 31.12.2024 of FiberCop S.p.A. only.

FiberCop is a company incorporated in November 2020 and domiciled in Italy, with registered office in Milan, Via Marco Aurelio 24, and organized according to the legal system of the Italian Republic.

The establishment of FiberCop was part of a project aimed at expanding fiber optic coverage on the Italian territory. The Company, initially established by the sole shareholder TIM S.p.A. and subsequently, in March 2021, purchased by Teemo Bidco Sarl, controlled by funds managed or assisted by KKR, and Fastweb S.p.A. at 37.5% and 4.5% respectively, was the subject of a major corporate reorganization during the previous year.

On 1 July 2024, in fact, a complex transaction was completed for the transfer by TIM S.p.A. of the business unit relating to the primary fiber and copper network in FiberCop, as well as the reorganisation of the shareholding structure through the acquisition of the shareholdings held by TIM and Fastweb by Optics BidCo. The latter became the sole shareholder of the Company and was subsequently incorporated into FiberCop with accounting and tax effects from 1 July 2024 ("**Business combination**").

In consideration of the Business Combination, similarly to what is set out in the 2025 Interim Financial Report, the economic results for the full year 2025, including EBITDA and Organic EBITDA, are not directly comparable with those of the previous year, mainly due to the corporate reorganization and changes to the business model resulting from the Business Combination that took place at the beginning of the second half of 2024.

The Company has prepared a single Management Report valid for both the consolidated and separate financial statements, which illustrates the Group's economic and financial situation for the financial year 2025, the performance of which mainly reflects that of the parent company FiberCop, given the significant contribution of the latter.

The Group's financial information is presented in euros ("**€**"). In certain cases, certain data is reported in U.S.

FiberCop S.p.A.

Dollars ("**USD**" or "**\$**"). This document has been translated into English for the convenience of international readers. In the event of discrepancy, the Italian language version prevails. In addition, some totals in the tables included in this document may not exactly coincide due to rounding.



FiberCop

MANAGEMENT REPORT

December 31, 2025

Management discussion, analysis of the Group's financial position and results of operations

Structure and activities of the Group

The Group is the most advanced, extensive and integrated digital network infrastructures operator in the country. With ultra-broadband exceeding 96% of active lines, it reaches about 46% of national residential units with fiber to the home ("**FTTH**") technology.

The Group is a unique case within the European Union, representing the first example of ownership separation from the incumbent national telecommunications operator. With total investments of 2,713 million euros in 2025, the Group continues with its ultra-broadband strategy, with the aim of accelerating the development of the fiber optic network.

With 13,747 thousand active lines on its network, the Group is the leading operator in Italy in the fixed broadband access sector, offering operators a complete and integrated range of reliable and innovative solutions, supported by a cutting-edge and constantly evolving technological network. The Group's activities – which include access infrastructures, high-capacity networks and transport infrastructures, as well as monitoring, diagnostics, installation and maintenance support services – respond to the growing needs of the market and the search for the most suitable solution for the individual customer and guarantee the highest level of quality, safety, reliability and stability.

One of the strengths of the company is its widespread presence in the territory and regions. In addition to the 28 million kilometers of optical fiber laid, there are over 114.3 million km of traditional copper network, 10,500 exchanges and over 160,000 distribution cabinets.

The Group's employees, distributed throughout the country, play a key role in facilitating and accelerating the digitization process of Italy, developing a fiber optic network in line with the objective of the European Digital Agenda to guarantee a 1 Giga connection to the entire population by 2030.

Innovation and sustainability are at the heart of the Group's business development, which allocates significant investments to fiber – more sustainable and future-proof than traditional technologies – both in areas with existing fiber infrastructure and in those historically served only by copper infrastructure, also using the funds available from the National Recovery and Resilience Plan ("**NRRP**"). The calls provided for by the NRRP are key factors for the technological development and digitization of the country by allowing previously disadvantaged geographical areas to access the ultra-fast connectivity enjoyed by the main urban centers; in this context, FiberCop was awarded in the following calls for tenders, both launched by Infratel S.p.A., the internal body of the Ministry of Economic Development:

- Italia 1 Giga, a tender launched with the aim of awarding public contributions to investment projects aimed at the construction of new telecommunications infrastructures capable of providing download speeds of at least 1 Gbps and upload speeds of 200 Mbps. Aimed at approximately 6.9 million units, the call was structured

FiberCop S.p.A.

in 15 lots, with a total funding of 3,680 million euros, with respect to which FiberCop was awarded for approximately 1,600 million euros with 7 lots awarded. As of December 31, 2025, approximately 1.1 million addresses (approximately 1.61 million ESRI Uls), out of a realizable total of 1.3 million, have been connected within the lots assigned to the RTI, recording significant annual growth with 0.6 million ESRI Uls.

- 5G backhauling, a tender that provides for the equipping of mobile radio sites with fiber optic backhauling and connectivity on a high-performance, reliable and enabling transport network for all 5G services, for which FiberCop is the assignee of all 6 lots of the plan, for a total amount of approximately 725 million euros.

The ultimate parent company of the FiberCop Group is Optics HoldCo S.r.l., which has the following shareholding structure: 33.32% from KKR Optics Aggregator SCSp, 4.32% from K-INFRA Optics Limited, 17.42% from 13545369 Canada Inc., 17.42% from Azure Vista C 2020 Sarl, 16% from the Italian Ministry of Economy and Finance ("**MEF**"), 11.15% from F2i Fibra S.r.l. and 0.44% from Servizio Italia S.p.A.. The Group is subject to "Direzione e Cordinamento" pursuant to the Italian Law by Optics HoldCo S.r.l.

Significant events during the year

Launch of the bond offering

On June 16, 2025, the Company announced the launch of a bond offering, finalized on June 27, 2025, of three new notes for a total nominal amount of €2.8 billion divided into: i) €1,200,000,000 of senior secured fixed rate notes equal to 4.750% due 2030, ii) €900,000,000 of senior secured fixed rate notes equal to 5.125% due 2032, and iii) €700,000,000 of senior guaranteed floating rate notes maturing in 2031 and interest calculated on the 3-month EURIBOR rate increased by 3.00% per annum.

All bonds are listed on the official list of the Luxembourg Stock Exchange ("**Euro MTF Market**") and are backed by guarantees.

These funds were intended to feed the Company's liquidity instrumental to its business activities, including investments and the possible refinancing of existing debt.

Establishment of FiberCop Insurance Broker S.r.l.

In May 2025, the company FiberCop Insurance Broker S.r.l. ("**FiberCop Insurance Broker**") was established, a wholly owned subsidiary of FiberCop, duly authorized to operate as an insurance intermediary by the Institute for the Supervision of Insurance ("**IVASS**"). FiberCop Insurance Broker was established with the aim of identifying and structuring tailor-made insurance coverage, in line with business and operational needs.

With this transaction, the Group expects to gain greater control over insurance costs and to maintain a direct and continuous relationship with the main insurance companies, ensuring transparency, efficiency and a high level of personalization in risk management.

Merger of Optics PrepCo S.r.l

In the Board meeting held on 24 June 2025, was approved the merger of Optics PrepCo S.r.l. ("**Opctis PrepCo**"), a company under the control of the parent company Optics HoldCo, into FiberCop S.p.A. (the "**Merger**"). The Merger had retroactive accounting and tax effect to 1 January 2025 and statutory effect from 31 October 2025. Following the merger, FiberCop became the entity resulting from the transaction, while Optics PrepCo ceased to exist as a standalone legal entity.

Since both FiberCop and Optics PrepCo were, prior to the Merger, directly and wholly owned by Optics HoldCo, the transaction was carried out by cancelling the single shareholding, without exchange and without making any change to the Company's share capital.

Alternative performance indicators

The Group's directors monitor and evaluate performance through alternative performance indicators, including EBITDA, Organic EBITDA, EBITDA-AL, Organic EBITDA-AL, Net Financial Debt and Net Financial Debt-AL. These indicators are considered useful for providing a picture of the Group's performance and financial condition, facilitating comparisons with other companies. They also offer comparable metrics that help administrators identify operational trends and make informed decisions about future spending, resource allocation, and other strategic decisions. The components of each of these indicators are described below.

EBITDA and Organic EBITDA

EBITDA is defined as Profit/(Loss) for the year before (i) income taxes, (ii) net financial expenses and foreign exchange losses and (iii) depreciation, amortization and (losses)/gains on disposals.

Organic EBITDA is defined as EBITDA adjusted for certain income and expenses, which are significant in nature and which directors consider not representative of ongoing operating activities.

The Group's directors use EBITDA and Organic EBITDA to evaluate and analyze operating performance. These indicators are considered useful as they exclude items that directors consider not representative of the Group's underlying operating performance and allow operating trends to be observed, analytical comparisons and benchmarks of performance over time.

The following table shows a reconciliation between the loss for the year and Organic EBITDA:

	For the year ended 31 December	
<i>(in € million)</i>	2025	2024
(Loss)/Profit for the year	(206)	(191)
Income taxes	(175)	32
Net financial expenses and foreign exchange losses	786	521
Operating result (EBIT)	406	362
Depreciation, amortization, write-downs and (loss)/gains on disposals	1,615	969
EBITDA	2,020	1,331
Restructuring and non-recurring items	104	323
Organic EBITDA	2,125	1,654

EBITDA-AL and Organic EBITDA-AL

EBITDA-AL is defined as the profit/(loss) for the year before (i) income taxes, (ii) net financial charges and exchange rate losses, (iii) depreciation, amortization and (losses)/gains on disposals and (iv) adjusted for amounts related to the accounting treatment of lease contracts.

Organic EBITDA-AL is defined as EBITDA-AL adjusted for certain significant income and expenses that directors consider not representative of recurring operating activities.

The Group's directors use EBITDA-AL and Organic EBITDA-AL to evaluate and analyze the Group's operating performance. These alternative performance indicators are useful as they exclude elements that the directors believe are not representative of the Group's underlying operating performance, thus allowing operating trends to be observed and performance comparisons to be made over time.

FiberCop S.p.A.

The following table shows a reconciliation between the loss for the year and Organic EBITDA-AL:

<i>(in € million)</i>	For the year ended 31 December	
	2025	2024
(Loss)/Profit for the year	(206)	(191)
Income taxes	(175)	32
Net financial expenses and foreign exchange losses	786	521
Operating result (EBIT)	406	362
Depreciation, amortization, write-downs and (loss)/gains on disposals	1,615	969
EBITDA	2,020	1,331
Leasing impact ¹	(380)	(186)
EBITDA-AL	1,641	1,145
Restructuring and non-recurring items	104	323
Organic EBITDA-AL	1,745	1,468

Net Financial Debt and Net Financial Debt-AL

Net Financial Debt is defined as the sum of current and non-current financial payables, net of cash and cash equivalents and current financial assets.

Net Financial Debt-AL is defined as Net Financial Debt adjusted for the amounts related to the accounting treatment of lease contracts.

The Group's directors believe that this indicator: i) is a useful tool for monitoring the level of net liquidity and financial resources available to the Group; ii) supports the Group, investors and analysts in the analysis of the financial position and available financial resources; and iii) allows an effective comparison of the Group's financial position and available financial resources with those of other companies.

¹ The impact of leases refers to expenses that would have been recognised as the cost of goods and services if IFRS 16 had not been applied.

FiberCop S.p.A.

The following table shows the calculation of Net Financial Debt and Net Financial Debt-AL as of December 31, 2025 and 2024:

<i>(in € million)</i>	31/12/2025	31/12/2024
Cash and cash equivalents	2,592	997
Current financial assets	173	143
Cash and cash equivalents and current financial assets	2,765	1,140
Current financial liabilities	(869)	(408)
Non-current financial liabilities	(14,398)	(11,879)
Total financial liabilities	(15,267)	(12,287)
Net financial debt	(12,502)	(11,147)
Lease liabilities	1,814	1,963
Net financial debt-AL	(10,688)	(9,184)

Group performance

The following table shows the economic results for the year ended 31 December 2025.

<i>(in € million)</i>	For the year ended 31 December	
	2025	2024
Revenue	3,777	2,577
Costs for raw materials and services	(848)	(500)
Personnel costs	(787)	(413)
Other (costs)/revenues	(17)	(10)
Organic EBITDA	2,125	1,654
Restructuring and non-recurring items	(104)	(323)
EBITDA	2,020	1,331
Depreciation, amortization, write-downs and (loss)/gains on disposals	(1,615)	(969)
Operating result	406	362
Net financial expenses and foreign exchange losses	(786)	(521)
(Loss)/Profit before tax	(380)	(159)
Income taxes	175	(32)
(Loss)/Profit for the year	(206)	(191)

In general, the economic results, including EBITDA and Organic EBITDA, are not directly comparable with those of the previous year due to the Business Combination that took place in mid-2024 and the business model changes that followed. This is evident from the increase, in absolute value, shown by the income statement items that make up Organic EBITDA, in particular the items relating to revenues and costs for materials and services reflect the contribution of the

"integrated" business (i.e. primary network and secondary network) for the entire year (in 2024 the contribution of the primary network was attributable exclusively to the second half of the year).

The operating result as at 31 December 2025 was mainly impacted by changes in the following items:

- Restructuring and non-recurring items, amounting to 104 million euros, mainly relating to: i) employee exit incentives arising from the Business Combination workforce reorganisation; ii) costs incurred in connection with the completion of the separation procedures from TIM, including IT-related costs; and (iii) costs associated with the settlement of commercial agreements transferred as part of the Business Combination. The change compared to the previous period reflects the different composition of this item, which at 31 December 2024 included, among others, approximately 223 million euros relating to early retirement costs for Article 4.
- Depreciation, amortization, write-downs and (losses)/gains on disposals, amounting to 1,615 million euros, reflect the higher value attributed to certain assets and the recognition of specific intangible assets arising from the Business Combination, resulting in an increase of 468 million euros compared to the first half of 2024 (i.e. before Business combination). Of this increase, 81 million euros relates to customer relationship. The remaining increase, amounting to 177 million euros, is attributable to investments made during the period.
- Income taxes, amounting to 175 million euros at 31 December 2025, are positive mainly as a result of the recognition of the deferred tax assets on tax losses carried forward generated during the year, amounting to 97 million euros, as well as the reversal of deferred tax liabilities related to specific assets recognised as part of the Business Combination.

Group balance sheet and financial performance

The Group's main financial liabilities include bonds and securities, bank loans, lease liabilities, trade payables and other liabilities. The main objective of these liabilities is the financing of the Group's operating activities and the investment development plan. In addition, the Group holds other assets, trade receivables and non-commercial and liquid assets that arise directly from its operating activities.

Reclassified Balance Sheet

<i>(in € million)</i>	31/12/2025	31/12/2024
Intangible assets	12,109	12,125
Tangible assets	12,169	10,615
Rights of use over third-party assets	2,319	2,689
Total Fixed Assets	26,597	25,429
Inventories	29	33
Trade receivables	1,178	886
Trade payables	(2,363)	(2,139)
Total Working Capital	(1,156)	(1,220)
Other current and non-current assets	1,018	650
Other current and non-current liabilities	(2,962)	(2,175)
Net Working Capital	(3,100)	(2,745)
Provisions for current and non-current risks and charges	(767)	(943)
Employee benefits	(265)	(309)
Deferred tax assets/(liabilities)	(1,201)	(1,384)
Net Invested Capital	21,263	20,048
Roofing		
Equity	(8,761)	(8,901)
<i>of which Share Capital</i>	<i>(18)</i>	<i>(18)</i>
<i>of which Reserves</i>	<i>(8,743)</i>	<i>(8,883)</i>
Net financial debt	(12,502)	(11,147)
<i>of which Lease Liabilities IFRS 16</i>	<i>(1,814)</i>	<i>(1,963)</i>
<i>of which Net Debt AL</i>	<i>(10,688)</i>	<i>(9,184)</i>
Total Coverage	(21,263)	(20,048)

Investments

Investments are defined as increases in tangible and intangible assets. Investments for the year ended 31 December 2025 amounted to 2,713 million euros, of which 1,312 million euros referred to the roll-out of the primary and secondary FTTH network according to the two parallel work plans:

- the deployment of the secondary FTTH network in both "black" and "grey" municipalities, reaching an estimated 12.72 million *user interfaces of environmental systems research institute* ("**UI ESRI**"), and;
- the activity related to the NRRP "Italia 1 Giga" for 7 of the 15 lots in the tender.

For the year ended December 31, 2025, the total coverage from the two development plans reached approximately 14.3 million estimated ESRI IUs, covering a total of 3,225 municipalities available for commercialisation.

Other investments for the period refer to:

- 767 million euros relating to the *running* phase, mainly composed of evolutionary maintenance, *assurance* and IT components;
- 461 million euros for *delivery activities*;

- 173 million euros for growth projects not included in *the FTTH network* roll-out.

Net financial debt

The following table shows the calculation of Net Financial Debt at December 31, 2025 and December 31, 2024:

<i>(in € million)</i>	31/12/2025	31/12/2024
Cash and cash equivalents	2,592	997
Current financial assets	173	143
Cash and cash equivalents and current financial assets	2,765	1,140
Current financial liabilities	(869)	(408)
Non-current financial liabilities	(14,398)	(11,879)
Total financial liabilities	(15,267)	(12,287)
Net financial debt	(12,502)	(11,147)

Net Financial Debt is an alternative performance indicator. For more information, please refer to the section "*Alternative performance indicators*".

The main change in the composition of financial liabilities concerns the bond issue finalized on June 27, 2025, for 2,800 million euros, together with the increase in the Senior Facility Agreement for a total of 830 million euros carried out in three tranches in January, May and August for 380 million euros, 350 million euros and 100 million euros respectively.

As of December 31, 2025, the Group's Net Financial Debt has a weighted average maturity of approximately 5 years. Taking into account the impact of hedging derivatives, more than 85% of financial liabilities are at a fixed rate, with a total effective interest rate of approximately 5.23%.

The main components of Net Financial Debt are further illustrated below.

Bonds

These consist of bonds issued by the Group during the year or bonds issued by other entities acquired as part of the Business Combination.

The table below shows the main interest rate terms applied to the Group's bonds, together with the balance as at 31 December 2025, broken down according to their respective maturity dates. For more information, please refer to Note 21 - *Current and non-current financial liabilities* of the separate financial statements and Note 21 *Current and non-current financial liabilities* of the consolidated financial statements in this document.

FiberCop S.p.A.

<i>(in € million)</i>	Interest rates <i>(in bps)</i>	Amount	Within 1 year	1-5 years	Over 5 years
Fixed	237 – 787	7,310	493	3,583	3,234
Variable	Euribor 3M +300	702	7	-	695

Bank financing

For the year ended 31 December 2025, the Group used the term loan facility under a *senior facilities agreement* for an amount of 5,441 million euros. The structure of the term loan facility is bullet and, therefore, the entire principal is repaid at maturity.

The following table shows the main terms of the interest rates applied to the Group's bank loans, broken down according to their respective maturity dates.

<i>(in € million)</i>	Interest rates <i>(in bps)</i>	Amount	Within 1 year	1-5 years	Over 5 years
Variable	Euribor 3M +(225-350) ⁽¹⁾	5,440	5	5,435	-
<i>of which:</i>					
<i>Cover</i>		4,600	-	4,600	-
<i>Not covered</i>		840	5	835	-

⁽¹⁾ The spread on the floating component of the interest rate, typically based on Euribor, is as follows over time: (i) Year 1: 225 bps, (ii) Year 2: 225 bps, (iii) Year 3: 275 bps, (iv) Year 4: 300 bps, and (v) Year 5: 350 bps.

Lease liabilities

The main terms relating to the interest rates of the Group's lease contracts and the amount of expected cash flows as at 31 December 2025 are shown in the tables below, broken down by maturity date. For more information, please refer to Note 21 - *Current and non-current financial liabilities* in the "*Lease liabilities*" section of the consolidated financial statements in this document.

<i>(in € million)</i>	Interest rates <i>(in bps)</i>	Amount	Within 1 year	1-5 years	Over 5 years
Fixed	449	1,814	363	920	531

Derivative financial instruments

The Group uses derivative contracts solely for hedging purposes, managing the cash flow risks related to floating interest rates and currency exchange on its debt, in line with its policy prohibiting speculative trading. The value of these over-the-counter instruments is determined using observable inputs in the market. Derivatives are measured at *fair value* at each balance sheet date by reference to applicable foreign exchange rates or interest rates and yield curves observable at commonly quoted intervals.

During the month of December 2025, some *Pre-Hedge* hedges were activated on the proposed sale of copper

FiberCop S.p.A.

resulting from the disposal of the *legacy network* that will take place in the coming years.

The following table shows the breakdown of derivative financial instruments as at 31 December 2025 and the notional amount hedged:

As of December 31, 2025				
(in € million)	Positive fair value	Negative fair value	Notional Covered (in €)	Notional Hedged (in foreign currency)
Cross-currency interest rate swaps	-	(170)	1,864	2,000
Interest rate swaps	9	(57)	4,600	4,600
Commodity swap	-	(22)	302	302
Total	9	(249)	6,766	6,902

Covenant

The Group's term loans and revolving credit facilities are subject to financial covenants that require the Group to maintain a ratio equal to or less than 9 times Net Financial Debt AL to Organic EBITDA-AL (both exclude the effects of lease accounting under IFRS 16) for each of the 12-month periods ending June 30 and December 31, as well as pledge, pari passu, cross default clauses and change of control clauses. The ratio may be adjusted to 10 times if the Group obtains a long-term credit rating of BBB- (or equivalent) or higher from at least two rating agencies. Failure to comply with such covenants may require the Group to fully repay the outstanding amounts, unless the Group takes corrective action through contributions from shareholders or other parties within 20 business days of the due date for reporting the breach. As of December 31, 2025, the Group complies with the covenant requirements relating to financial liabilities.

Rating

As a result of the Business Combination and related financing activities, the three rating agencies - Standard & Poor's, Moody's and Fitch Ratings - have assessed the Group as follows:

	Rating	Outlook
STANDARD & POOR'S	BB+	Stable
MOODY'S	Ba1	Negative
FITCH RATINGS	BB+ (Issue) / BB (Corporate)	Stable

Key economic, financial and operating data of the Group

The following table shows the Group's main figures for the year ended 31 December 2025.

<i>(in € million)</i>	For the year ended 31 December	
	2025	2024
Revenue	3,777	2,577
EBITDA		
Organic	2,125	1,654
Reported	2,050	1,331
EBITDA-AL		
Organic	1,745	1,468
Reported	1,641	1,145
(Loss)/Profit for the year	(206)	(191)
<i>(in € million)</i>	As of December 31, 2025	As of December 31, 2024
Equity	8,761	8,901
Net financial debt	(12,502)	(11,147)
Net financial debt-AL	(10,688)	(9,184)
Investments	2,713	2,031
Number of ESRI IUs (millions)	14.3	12.2
Number of employees (units/FTEs)	18,276	19,788

Competitive environment and regulatory framework

Macroeconomic environment

GDP growth, high levels of inflation, global capital market conditions and the volatility of European sovereign bonds continue to influence the telecommunications sector, affecting customers' spending power and, therefore, demand for the services offered by the Group.

In this context, the Italian telecommunications market continues to be characterized by strong competition and a growing demand for fiber optic connectivity, with a consequent decline in access based on legacy technologies. This technological transition, promoted by the Italian government, is evidenced by the government funding granted, such as the funds allocated under the NRRP for the "Italy at 1 Giga" and "Backhauling 5G" initiatives, aimed at technological progress in public administration and the extension of coverage to rural areas.

The macroeconomic and industrial context interacts with a regulatory framework, particularly relevant to the Group's business model, in which the decisions of the Italian Communications Authority ("AGCOM") and the Italian Competition Authority ("AGCM") play a crucial role. Specifically, these authorities regulate and oversee the sector and intervene to ensure an environment of fair competition within the market, and monitor anti-competitive practices by

operators. The regulatory aspects that are key for the Group are:

- the constraints and controls imposed on operators deemed to hold significant power in the wholesale market, defined through the periodic market analyses conducted by AGCOM, which also apply to the offers of such operators, subject to the supervision of AGCOM;
- the terms and conditions of the wholesale offers of these operators; and
- the rules governing the public communication of offers, with particular attention to the accurate disclosure of the physical infrastructures used and their characteristics.

Competition authorities (AGCM in Italy and the European Commission at the European level) intervene mainly on three fronts (as provided for by national and EU legislation):

- Contrasting restrictive agreements: antitrust authorities sanction agreements or concerted practices between companies aimed at limiting or distorting competition in the market (price fixing, market sharing), as such practices restrict consumer choice.
- Repression of abuse of dominant position: antitrust authorities sanction companies holding a dominant position in a given market when they exploit their power to hinder the entry of new competitors or impose unfair conditions on customers or suppliers.
- Merger control: antitrust authorities assess mergers and acquisitions between independent companies ex ante to ensure that no monopolies or situations arise that could significantly reduce future competition.

Proceedings by the AGCM

Proceedings 1874

On 17 December 2024, AGCM opened an investigation pursuant to Article 14 of Law No. 287/1990 against FiberCop and TIM to assess potential violations of Article 101 of the Treaty on the Functioning of the European Union ("TFEU").

The investigation concerned certain clauses included in the Master Service Agreement ("**MSA**") signed between FiberCop and TIM, with particular reference to exclusivity obligations between TIM and FiberCop for network access services and the discounts offered by FiberCop on the active access service (VULA FTTH).

The investigation was successfully concluded on 23 February 2026, following a consultation process involving various industry stakeholders, including AGCOM, with the decision adopted at the meeting of 17 February 2026 to accept the commitments previously proposed by FiberCop and TIM. These commitments aim to address the issues raised at the opening of the investigation and mainly include:

- the revision of the exclusivity arrangement between FiberCop and TIM, differentiated by type of geographical area;
- the introduction of a parallel offer to the one already included in the MSA for access services (available to all

operators, including TIM), which provides for:

- a passive component (Full-GPON), at the current price set by AGCOM;
- an active component, consisting of the supply of certified Optical Network Terminal (“ONT”) equipment and the use of a portion of FiberCop’s Optical Line Terminal (“OLT”) equipment in exchanges where the operator is present, with volume-based discounts applied. Both offers include mechanisms allowing the maintenance of exclusivity discounts even in the event of loss of exclusivity for a certain period under specific conditions.
- the simplification of the migration intermediation mechanism, with reduced timelines and a lower maximum fee applicable to TIM.

Texts of the accepted and binding commitments, as well as the full proceeding, are available on AGCM’s institutional website.²

Proceedings by AGCOM

With Resolution No. 38/24/CIR, AGCOM approved FiberCop’s economic and technical conditions for the provision of passive fiber network access services (Full-GPON and Semi-GPON) offered pursuant to Articles 28 and 29 of Resolution No. 114/24/CONS.

With Resolution No. 103/25/CONS, AGCOM launched a public consultation regarding the qualification of FiberCop as a “wholesale-only” operator under Article 91 of the Code. The consultation concluded with AGCOM’s notification to the European Commission of its favorable assessment on 18 June 2025. The outcome confirms that FiberCop meets the requirements for wholesale-only status, a prerequisite for defining the new regulatory framework dedicated to this category of operators.

Subsequently, with Resolution No. 205/25/CONS, AGCOM, in light of FiberCop’s recognized WSO status, launched a public consultation proposing the removal of obligations relating to transparency, accounting separation, cost accounting, and cost-oriented price control, while maintaining—only in municipalities where FiberCop is designated as SMP—obligations relating to network access services and non-discrimination, as well as the obligation to apply “fair and reasonable” prices with specific geographical differentiation.

On 16 March, AGCOM published Resolution No. 58/26/CONS, which defines the new regulatory obligations imposed on FiberCop as a wholesale-only operator. The main elements include:

- an expanded list of “non-SMP” municipalities where FiberCop is no longer subject to any ex ante regulatory obligations;
- the abolition, in the rest of Italy, of the previous cost-orientation price control obligation for regulated services, replaced by a check of “fairness and reasonableness” of prices based on a checklist defined by the Authority;

² <https://www.agcm.it/media/comunicati-stampa/2026/2/1874-1874B>

- the requirement for FiberCop to publish on its website and submit to the Authority, by 15 April, the new base price lists for all regulated services (passive and active, copper and fiber);
- in the initial application phase, the new “fair and reasonable” prices proposed by FiberCop—and possibly amended by the Authority following its assessment—will enter into force after a six-month transitional period from the publication of the resolution, i.e., from 16 September 2026. Until 15 September 2026, the regulated prices already set by AGCOM for 2026 will remain in effect

Personnel and sustainability

Staff

During 2025, the Group continued to strengthen its people management model, confirming the centrality of human capital as a fundamental lever for achieving industrial and sustainability objectives. The company has operated in a context of continuous transformation, characterized by a growing integration between technological, organizational and social dimensions, adopting approaches and tools oriented towards professional development, the enhancement of skills and the promotion of a responsible and inclusive work environment.

Inclusion Program

The Human Resources and Equal Opportunities Policy, defined and approved in 2025, represents the framework that guides activities aimed at ensuring fair and sustainable working conditions. It is based on the protection of people's rights, the enhancement of diversity, the promotion of well-being and the creation of an organizational climate based on respect, collaboration and participation.

To support this system, the Group has consolidated its gender equality management system in compliance with UNI/PdR 125:2022, which guarantees structured oversight of the main HR processes. The model includes planning, monitoring and verification tools, with a coordinated system of indicators and objectives related to the issues of gender equality, equity and inclusion. This is accompanied by a dedicated governance system, responsible for directing annual plans and reviewing initiatives in line with medium-term strategies. This approach allows the Company to ensure constant alignment between internal policies, regulatory requirements and stakeholder expectations, while maintaining a high level of transparency of the results achieved.

Development paths

In terms of training and skills development, the Group has continued on the path aimed at supporting the professional growth of its people through dedicated programs, personalized paths and continuous updating initiatives. The training offer covered both technical and transversal areas, with particular attention to the issues of IT security, digitization of processes, network skills, safety at work and the growth of managerial skills. Awareness-raising programmes on sustainability, inclusion and gender equality also continued, in continuity with the path already started in previous years. A lot of attention is paid to the training of its SMEs, Subject Master Experts, necessary for the reskilling

and upskilling of technical skills that are difficult to select externally.

People caring

In line with the company's mission to guarantee working conditions that promote people's quality of life, the corporate welfare system has also been strengthened in 2025, oriented towards psychophysical well-being, work-life balance and parenting support. The initiatives concerned dedicated services, flexibility measures, tools to support families and specific information programs, integrated with the agile working model and processes aimed at protecting people's overall well-being.

As part of this evolution, the Group has continued to promote a corporate culture based on responsible behavior, respect for the dignity of people and the dissemination of a shared awareness of the value of diversity. In fact, the mechanisms for listening to and involving the corporate population have been consolidated, through dedicated channels, consultation initiatives and assessment tools, which are accompanied by structured processes for managing reports, non-conformities and continuous improvement actions.

Performance Management

Finally, in 2025, a new performance management system designed to be more transparent, fair and aligned with corporate and sustainability objectives was introduced. The new system provides for continuous evaluation and structured feedback, with a particular emphasis on personal and professional growth. The performance objectives have been defined in a clear and measurable way, and are closely linked to the company's strategic objectives. This allows individual and team contributions to be more effectively recognized and rewarded, while promoting a culture of excellence and continuous improvement.

Sustainability

Governance aspects

The Group's ESG governance model supports the company's strategic role in the creation and management of the country's digital infrastructure, ensuring solidity, transparency and sustainability. The Chief Corporate Officer and the Executive Board play a central role in coordinating the sustainability plan, monitoring ESG targets and engaging and double materiality processes. The Sustainability Function, reporting to the Chief Corporate Officer, coordinates ESG activities at a cross-functional level, contributing to the definition of ESG issues in the guidelines of the Business Plan and the monitoring of specialist indicators. Governance is based on a continuous flow of communication that allows management and the Board of Directors to make informed and long-term decisions. In 2025, FiberCop strengthened its ESG model through the adoption of the new Code of Ethics, the Environmental Policy, the Human Rights Policy and the Supplier Code of Conduct, and is one of the founding members of the UN Global Compact Network Italy.

Environmental aspects

The fight against climate change is central to the Group's strategy, which guides investments and technological choices, monitors consumption and emissions and has defined a decarbonisation plan with targets validated by the *Science Based Targets initiative* in 2025, as shown below.

TARGET EMISSIONI NET-ZERO (ANNO BASE 2023)

<i>Target</i>	Near term		Long term		Net-zero
Scope 1 & 2	(70%)	2030	(90%)	2040	2050
Scope 3			(90%)	2050	
Scope 3 - Cat.13	(70%)	2030			
Scope 3 - Cat.1 & 2	41%	2029			

The targets – a 70% *near-term* reduction in Scope 1 and 2 emissions by 2030, a 90% *long-term* reduction by 2040 and the achievement of *Net Zero* by 2050 – set out a clear path that the Group has already begun to follow.

The Plan is based on the positive effects of some strategic and operational levers. First of all, the decommissioning of the copper network, a project that, through technological efficiency in 2025, has already allowed the reduction of about 22,000 tons of CO₂eq. In addition, the program to modernize network assets with interventions on sites has already led to an estimated saving of 10 GWh, thanks to the replacement of obsolete equipment and the optimization of air conditioning systems.

Another pillar of the mitigation strategy is the transition to renewable energy. In 2025, the Group purchased over 400 GWh of renewable energy, covering 63% of its needs with clean energy, reducing Scope 2 emissions.

The commitment also extends to the perimeter of corporate mobility, with the launch of a fleet electrification process and the installation of over 400 charging points scheduled by 2026.

At the same time, the decommissioning of obsolete infrastructures has allowed the recovery of over 500 tons of copper, reintroduced into production circuits as a secondary raw material.

Social aspects

The Group recognises the value of its human capital as an essential element for success. Health and safety is a top priority: the Group works to reduce accidents by involving both employees and suppliers, through training and prevention programs. The Group also promotes a work environment that is respectful, inclusive and oriented towards people's well-being through structured initiatives to prevent harassment, enhance gender balance and protect diversity. The commitment takes the form of collaboration with specialized associations and foundations, adherence to manifestos and awareness-raising initiatives in presence throughout the country as well as the implementation of training

plans on ethics, harassment and discrimination. Finally, the Group has activated adequate support and reporting tools as well as a network of Ambassadors in the area, ensuring the management of sensitive situations. This approach is reinforced by operational guidelines, procedures and supported by the achievement of UNI/PdR 125 certifications on gender equality and ISO 30415 on Diversity & Inclusion.

With regard to the value chain, 2025 saw the launch of Building Network, the program that encompasses all the Group's engagement and strategic alignment initiatives aimed at suppliers which, through the program and its Supplier Code of Conduct, transfers ESG positioning and objectives to the value chain. The Code of Conduct, drawn up in 2025, is included in the contractual clauses signed by suppliers, together with the Environmental Policy and the Human Rights Policy.

Sustainability Reporting

FiberCop's 2025 Sustainability Reporting, which is voluntary in nature and based on the European Sustainability Reporting Standards (ESRS), anticipates the regulatory obligation envisaged for the 2027 financial year. It is drawn up as a separate document and is made available on the institutional website of FiberCop S.p.A..

Research and development

Innovation in the Group focuses on activities that give the Group a competitive advantage in terms of business and technological innovation and recognition of the innovative value of the brand, both in terms of revenue growth and business efficiency.

The Group places innovation at the heart of the development of its business, with the aim of offering a complete and integrated range of reliable and competitive solutions, supported by cutting-edge and constantly evolving networks and infrastructures, technologically aimed at the future to support the digital and ecological transition of the country and its customers.

Research and development activities are closely linked to participation in consortia of regulatory bodies, collaboration with universities and funded projects that guarantee an ecosystem vision, pursuing open innovation and promoting a collaborative ecosystem with the main Italian and European strategic stakeholders.

In 2025, the Group renewed and extended its membership in the main international standardization forums (e.g. ETSI, ITU, MEF, Broadband Forum, ECSO, TM-Forum, UNINFO, CEI) in order to collaborate, contribute to and guide the development of international standards in various areas of interest, such as technology, regulation, security and innovation. Through this affiliation process, the Group intends to pursue the following opportunities: (i) share the state of the art in technological innovation; (ii) play an active role in standardisation activities; (iii) collaborate with industry players to define a strategic vision on the infrastructure of the future. In addition, in May 2025, the Group signed a strategic collaboration agreement with the Polytechnic University of Turin, whose main areas of research are the use of artificial intelligence to manage telecommunications networks, the creation of "digital twins" of infrastructures, the development

of technologies to monitor and reduce energy consumption and self-produce clean energy, autonomous networks, quantum computing and the edge cloud. This partnership provides for the creation of joint technical-scientific laboratories and participation in national and international research programs.

Participation in European and national initiatives and funded projects is an important area of interest for research in the Group. Currently, funding initiatives promoted by the European Union (HORIZON program) and, in the national context, by the Ministry of the Environment and Energy Security (MASE) and the RESTART program are underway.

With reference to the HORIZON programme, the initiatives underway are as follows:

- the ORIGAMI project supports the development of flexible, AI-based network management systems, designed for the evolution towards 6G, strengthening the Group's network management automation and optimization capabilities,
- the NextGEM project focuses on improving knowledge related to exposure to electromagnetic fields in residential, public and working environments, allowing the Group to adequately assess its effects in the management of operators' mobile access networks,
- The SEASON project is focused on the development of sustainable high-capacity optical networks, using advanced packet-optical convergence technologies and exploring ultra-efficient AI-based network architectures,
- The ALLEGRO project contributes to the development and validation of innovative solutions for secure, intelligent and energy-efficient metro-access optical networks, based on AI/ML, network function disaggregation and integration with QKD.

With regard to the call launched by the MASE in 2025, the SINEGRA (Intelligent System for the Efficiency and Management of Advanced Networks) project was launched, which aims to create and test an advanced IoT infrastructure to be applied in data centers and energy-intensive industrial plants, with the aim of optimizing energy management, maintenance and operational resilience of telecommunications infrastructures.

During the year, the Group developed and submitted further funding initiatives at European and national level, for which a response is awaited.

A fundamental element of the Group's research and development is represented by the laboratories located in Rome and Turin, in which about 50 people work. These business and technology innovation centers host testing and prototyping activities, Proof of Concept ("PoC") demonstrations, integrations, and presentations, contributing to the development and validation of the most advanced solutions in the industry. Research and development activities are mainly conducted on topics related to activities such as access infrastructures, high-capacity networks and transport infrastructures, Digital Twins of networks and infrastructures, edge clouds, autonomous networks, quantum communication, as well as monitoring, diagnostics, installation support and maintenance services.

The continuous innovation activity carried out in the Group has a direct application impact on the development of the network and the services offered:

- symmetrical passive optical network with capacities up to 10 gigabits ("XGS-PON") and beyond: innovation towards higher performance in access starts from over 30 cities with FTTH fiber connections up to 10 Gbit/s, thanks to XGS-PON technology, with the aim of expanding these possibilities nationwide; innovation activities on access technologies up to 50 Gbit/s and beyond represent an area of research that the Group is exploring through PoCs and field tests;
- network security: exploiting the capillarity of the fiber network as a tool that can provide a plurality of information on the environment; In addition, fiber connections that are resistant to quantum computing and the most advanced cryptographic challenges are being studied to support customer needs;
- promoting the introduction of efficient and innovative solutions, including: (i) convergence of internet protocol and dense wavelength division multiplexing ("IP-DWDM"), for cost reduction and greater integration between the optical and packet layers; (ii) SDN and disaggregation to a vendor-agnostic solution and for greater speed in deploying the most innovative solutions when available; (iii) convergence and transparent integration between the backbone, metro and metro aggregation network domains) thanks to the most advanced transceivers, to have greater flexibility and an expected impact in terms of costs and consumption;
- Autonomous networks: Able to self-configure, monitor, optimize, and self-heal, enabling communications service providers to operate more efficiently, deliver better customer experiences, and innovate quickly.

New advanced technologies are studied and tested to acquire knowledge, verify their maturity and application in the Group's future networks and infrastructures:

- high-speed disaggregated optical access network, metro and transport network as a framework to test the evolution of open software and open hardware solutions, advanced machine learning ("ML") and SDN control and AI-assisted digital twins;
- advanced consistent P2P and point-to-multipoint solution that promises seamless integration of metro-aggregation and PON access segments;
- Edge cloud, technology that enables the delivery of digital services by distributing computing and storage resources at the edge of the network, closer to the places of use, while ensuring data sovereignty and compliance according to European and Italian regulations, ultra-low latency for critical applications such as industrial automation, healthcare and smart cities, as well as high resilience and scalability to innovate without compromising security and performance;
- Digital Twin as a precise and real-time aligned digital version of FiberCop's networks and technological infrastructures, with the ability to quickly provide indications on their status or to intervene directly and autonomously;
- AI/ML that allow you to extract and classify information from data to integrate models and analyses based on physical knowledge of phenomena; already adopted in several key operational processes of the Group,

these solutions also enable network automation through intelligent monitoring, dynamic network optimization, predictive fault management and automated resource orchestration, with benefits in terms of efficiency, resilience and quality of service;

- management and optimization of access and backhauling using terrestrial and non-terrestrial wireless networks (i.e. satellites);
- optical security and cryptography for quantum secure optical networks, including quantum key distribution (QKD).

Risk management

Risk management is a strategic tool for value creation.

The Group has therefore adopted an *Enterprise Risk Management* ("ERM") model that is constantly evolving and aligned with international regulations and standards (e.g. COSO Framework and UNI ISO 31000). The objective of ERM is to identify, assess and monitor risks that may compromise the achievement of corporate objectives, including those of an ESG nature. The ERM process – consistent with market best practices – is an integral part of the corporate governance and control system and represents a key tool to support the decision-making process and the continuity and sustainability of the business.

The Model structurally integrates ESG issues: for each risk, any related *Environmental* (E), *Social* (S) and *Governance* (G) factors have been associated, where applicable. This integration enables a complete and transversal view of the broader risk profile, including sustainability dimensions.

During 2025, the *Enterprise Risk Assessment* activity made it possible to identify and assess the risks significant to the Group, divided into the categories set out below.

Strategic and external risks

Political and regulatory risk

Political and regulatory decisions are a significant factor for the Group, as institutional interventions, regulatory changes or measures by the competent authorities could affect the company's market conditions, operating activities and strategic directions. The Group adopts an approach based on a constant strengthening of national and international institutional relations, on continuous monitoring of regulatory developments and proceedings underway at sector authorities (such as AGCom and AGCM) and on the promotion of transparent dialogue with public stakeholders.

Market risk

The competitive context of the fixed access market is characterized by high competitive pressure, acceleration of technological change and increasing sensitivity of demand to price, elements that could be further amplified by any

adverse macroeconomic factors. In this scenario, the progressive spread of alternative access technologies – such as FWA solutions, including those based on new generation mobile networks, and LEO satellite systems – could lead to a reduction in the demand for traditional fixed access, as well as a compression of revenue and margin levels, affecting the sustainability of the business model in the medium to long term.

To address these risks, the Company is resolutely pursuing the completion of the roll-out of the fiber network, in line with the industrial and coverage objectives defined, and is implementing targeted commercial and positioning initiatives aimed at enhancing the technological evolution of the infrastructure, overseeing the customer base, supporting the migration to higher-value solutions and strengthening its competitiveness in the various market contexts.

Natural events

The Group's activities are distributed throughout the country and are therefore exposed to the risks associated with natural disasters, such as floods, earthquakes and other extreme environmental events, the frequency and severity of which are amplified by the impacts of climate change. Calamitous events can lead to operational interruptions, damage to network infrastructures with consequent restoration costs and extraordinary maintenance.

The Group has implemented a comprehensive set of mitigation measures, aimed at prevention, resilience and business continuity. In addition, the Group carries out periodic assessments of catastrophic and natural risks to update the mapping of exposures and improve the ability to respond to evolving phenomena. Finally, the Group has adequate insurance coverage

Operational risks

Infrastructure development

The development of the fixed ultra-broadband network is the main strategic objective of the Group, which is committed to accelerating the roll-out of the infrastructure throughout the country, including through projects supported by NRRP funds – "Italia 1 Giga" and "5G Backhaul". Although the Group is adequately organized to achieve these objectives, any delays in the implementation of the network or the failure to complete the planned activities could have negative impacts on the company's business, results of operations and business continuity. Among the most significant risk factors are potential production capacity constraints within the supply chain of network companies, which could affect compliance with implementation times. In addition, for projects financed through the NRRP, any slippage with respect to the planned timelines could result in the application of penalties, including fixed charges for each unconnected property unit. It should be noted that at the date of this Report, the progress of the initiatives was consistent with the plans envisaged.

The Group has adopted a control model to oversee the implementation of the network through: periodic checks on the territory, payments to contractors based on performance, end-end digitalisation through digital tools, joint supervision between territorial and central structures, carrying out independent controls, as well as institutional

agreements, such as the protocol signed between the Parent Company FiberCop and UPI (Union of Italian Provinces) and the continuous commitment to the territory through constant discussions with the Municipalities. All supported by an ISO 9001 certified management system.

Network Management

The quality and reliability of the network are an essential element for business continuity and for compliance with the service standards agreed with customers. Any inefficiencies in the activation, maintenance and assistance processes, as well as the obsolescence or malfunctioning of network equipment and infrastructures, could lead to inefficiencies, quality levels below contractual and regulatory standards, with the consequent application of penalties, possible reputational impacts and increased operating costs. These critical issues could derive, among other things, from an inadequate execution of activities in the area, from deficiencies in the management of network companies or from delays in technological and/or infrastructure modernization programs.

To oversee these risks, the Group has implemented a structured control model, which provides for the integrated monitoring of technical processes and service levels, the continuous control of the main drivers of outages and the supervision of the performance of network companies through measurement systems and incentive mechanisms oriented towards quality and punctuality. The Group also carries out periodic checks on the territory and maintains a systematic comparison between central and territorial structures, in order to ensure timeliness in corrective actions. The model also provides for a structured system for the management and monitoring of contractual penalties and related settlements with customers, aimed at ensuring transparency, timeliness in the management of disputes and analysis of the underlying causes for the purpose of continuous improvement of operating processes. Finally, these controls are supported by an ISO 9001 certified quality management system, aimed at ensuring operational uniformity and continuous improvement of services.

Supply chain

Supply chain management represents a significant risk for the Group, as any interruptions in the availability of materials, equipment or services – combined with dependence on a small number of suppliers and specialized contractors, inadequate operational performance or increased procurement costs – may affect project delivery times, the Group's ability to meet network development and management objectives, and the Group's ability to meet network development and management objectives, and the profitability of the business

To control this risk, the Group uses competitive procedures that require the participation of a minimum number of suppliers, so as to expand the supply base and reduce the concentration of risk. In addition, the agreements with the selected partners are regulated through dedicated contracts, equipped with specific safeguard clauses and supplemented by the definition of any strategic and long-term contracts, aimed at ensuring business continuity even in the presence of critical issues. Wherever possible, the Group avoids single supply, developing alternative supplies. In addition, in 2025 the Group launched "Building Networks", a structured collaboration program with the supply chain aimed at strengthening the network of people and skills for the development of the infrastructure and strengthening the

partnership with strategic suppliers. In addition, the production capacity and performance of suppliers are subject to continuous monitoring through indicators that make it possible to promptly detect any deviations from the expected standards and to activate measures proactively corrective measures. Finally, the process is further strengthened by the presence of a dedicated committee with the task of strengthening control over risks relating to the supply chain process through the adaptation of the relevant procedural set, the assessment and approval of negotiations with suppliers of goods and services, as well as the monitoring of any mitigation actions.

Continuity of network services

Total or partial disruptions to the network infrastructure — resulting from failures, external events, operational errors, or cyberattacks — can compromise service availability, critical business processes, and the quality perceived by customer operators.

The resilience of the infrastructure is guaranteed through the Network Operation Center (NOC), active 24/7, real-time monitoring systems, backup powers, disaster recovery plans and geographical redundancy protocols. In addition, particularly critical incidents are analyzed and exercises are periodically conducted to test and update recovery plans. To support the management of significant events, the Crisis Committee is also established, which establishes strategies for the management of critical events, in order to react quickly and effectively to the emergency. In addition, the ICT Risk Management and Business Continuity processes operate in order to identify the components of risk and define preventive actions to reduce it, as well as response actions to a critical event with the aim of identifying timely responses and limiting impacts.

IT Continuity & Cyber Security

The Group's activities, as a provider of communication infrastructures, depend to a significant extent on the proper functioning of its network and information systems. Any cyber attacks, malfunctions or interruptions of IT systems can affect the services provided to network operators using the infrastructures provided (such as fiber and copper) and compromise data, putting the Company's reputation as a provider of critical national infrastructure at risk, as well as leading to financial losses and regulatory penalties. Given the importance of these factors, considerable attention has been paid to the security and continuity of networks against relevant threats, such as viruses, malware, hacking and data theft.

In this context, the Group invests in the development and evolution of its IT architecture, adopting modern, scalable and non-obsolete technological solutions, with the aim of reducing critical dependencies, ensuring greater robustness of the infrastructure and strengthening its overall resilience.

The Group takes measures to protect its infrastructure, considered as a critical asset for the national system. In particular, in order to maintain a structured and continuous risk analysis process, IT security policies are in place that provide for organizational, technical and compliance controls such as: *cyber risk management*, *security by design*, compliance with the NIS2 Directive, access control, continuous monitoring, 9 incident detection and response, staff

training and data encryption, in order to protect the personal data of customers and employees from cyber threats and the continuous improvement of crisis management.

The Group collaborates continuously with the competent institutions, as in the case of participation in the cyber crisis exercise organized by the National Cybersecurity Agency. The Group's commitment to information security and business continuity is also attested by the achievement of specific certifications in the field (ISO/IEC 27001 and ISO 22301).

Finally, the Group has taken out a specific cyber insurance policy, which further strengthens the overall risk management strategy. Despite the adoption of robust security measures and their continuous updating, the global cyber threat landscape is constantly evolving, with new vulnerabilities and attack techniques constantly emerging. In this context, any problems with the operation of the network and information systems could affect the Company's ability to provide services at the expected levels, with potential repercussions on its reputation and operational performance. Technological assets also play a central role in the Business Continuity analysis of processes and services, in which continuity strategies are discussed to manage their unavailability scenarios.

Risks related to human resource management

The ability to correctly allocate resources, attract new talent, retain qualified personnel and develop appropriate skills directly influences the execution of business strategies and the achievement of industrial objectives. The growing demand for highly specialized professionals determines an increasingly challenging competitive context, which can make it more complex to find and retain critical figures for the business. In this scenario, any difficulties in planning and allocating the workforce, in having adequate skills or in ensuring an adequate level of engagement of people could affect the Group's ability to effectively implement its strategic initiatives, with potential repercussions on operational performance and the quality of the services provided.

The Group has defined a human resources management based on structured workforce planning, monitoring of needs and periodic assessment of available skills. The performance management system provides dedicated moments of *assessment* of skills and results, aimed at identifying training gaps and individual growth paths. The Group also invests in *learning* and *development* programs aimed at the evolution of skills, technical updating and the development of internal talents, promoting initiatives aimed at strengthening the motivation and sense of belonging of employees. Mentoring programs are also active between senior figures and junior resources to encourage the transfer of critical knowledge and the dissemination of corporate culture. The Group collaborates with universities, e-business *schools* through advanced training courses aimed at developing advanced skills in strategic domains, ensuring a talent pipeline.

The oversight is completed by structured industrial relations, aimed at ensuring a constructive dialogue with workers' representatives, and policies dedicated to attracting and *retaining* key profiles, with the aim of ensuring the availability of the skills necessary for the implementation of the business plan and business continuity over time.

Finally, the Group has adopted certified management systems in the areas of Diversity & Inclusion (ISO

30415:2021) and Gender Equality (UNI/PdR 125:2022), which contribute to strengthening the dissemination of a responsible and inclusive corporate culture and the processes of attracting, enhancing and retaining human resources.

Health and Safety

The protection of workers' health and safety is a priority for the Group, in particular for operational activities in the area that may involve risks related to accidents such as falls, handling loads, use of specialized equipment, as well as emerging risks related to climate change, such as rising temperatures and critical microclimatic conditions.

The Group guarantees compliance with the legislative provisions on health and safety at work, aimed at preventing any accidents and damage to health related to the performance of work. To this end, the Group assesses the risks to the safety and health of workers with the aim of progressively reducing them to a minimum and prepares the relevant risk assessment documentation, adopting the principles, standards and solutions with the aim of striving for zero accidents at work, through the implementation of appropriate preventive measures and the verification of their effectiveness and suitability. The establishment of a managerial committee dedicated to health and safety is a central element of the Group's monitoring system. The committee defines the strategic objectives of Health and Safety and supervises the related action plans. At the operational level, the process is further strengthened by operational safeguards such as: structured training and information programs on risks and prevention measures adopted, use of personal protective equipment (PPE), field checks, which include surprise inspections on construction sites, periodic meetings with workers' safety representatives, scheduled audits, systematic monitoring of accidents and procedures dedicated to the management of accidents. emergencies. Confirming the solidity of the model adopted, the Group operates through an ISO 45001 certified management system, applied to the entire company perimeter and fully compliant with the best international practices in the field of health and safety at work.

Fraud

The Group is exposed to the risk deriving from intentional unlawful acts, committed by persons inside or outside the organization, aimed at obtaining an unfair advantage for oneself or for others, with consequent — or potential — damage to the Group, including non-pecuniary damage. To this end, the Group has set up an organisational unit dedicated to anti-fraud issues with responsibility for ensuring activities relating to the analysis of fraud phenomena, the definition of instructions, such as anti-fraud rules, thresholds, black lists, and the management of external and internal fraud.

Legal risks and compliance

Litigation

The Group may face litigation and, if such disputes are unfavourable, the impact on its reputation and operating results — deriving from court rulings — may not be immediately assessable.

The Group has organisational controls dedicated to constantly monitoring the progress of disputes, assessing

potential exposures and managing relations with external consultants and lawyers. In accordance with applicable accounting standards, the Group also makes provisions in the event that reliable indications of probable losses emerge, ensuring adequate financial coverage of contingent liabilities and a transparent representation of the related exposures.

Compliance

Failure to comply with regulatory obligations deriving from laws, regulations, directives and prescriptions of the authorities, as well as internal *compliance obligations*, in application of the Code of Ethics, Model 231, company policies and procedures, may result in financial, operational and reputational impacts, including administrative, judicial or disqualification sanctions. In addition to this exposure, there are risks related to new or evolving regulations, which may introduce additional requirements to be monitored, such as those in the energy, environmental or sustainability fields, with potential additional costs or operational constraints for compliance with the new standards.

The Group has adopted a structured compliance model, which includes elements such as: the Organisational Model pursuant to Legislative Decree 231/2001, the UNI ISO 37001 certified Anti-Corruption Management System, the *whistleblowing reporting channel*, the Code of Ethics and an ad hoc procedural body.

The oversight is further strengthened through continuous training, internal audits and systematic monitoring of regulatory and regulatory developments.

Golden Power

The Italian legislation on golden power (Legislative Decree no. 21/2012) allows the Government to exercise special powers over strategic companies in the defense, national security and communications sectors. The Government can approve, prohibit or impose conditions on corporate decisions and actions involving strategic assets. Failure to comply with the notification obligations will result in administrative penalties of up to twice the value of the transaction, not less than 1% of the turnover of the Company or the parties involved.

With the Prime Minister Decree (DPCM) of 16 January 2024, specific conditions were imposed on FiberCop, including the presence of a Security Delegated Director on the Board of Directors and the creation of a Security Organization led by a Security Officer, which has control and supervision functions over governance processes, with particular reference to all decision-making processes relating to strategic activities and the network.

The Organization ensures compliance with the prescriptions and conditions of the Decree.

Perimeter of national cybersecurity

As part of the national security regulations, the legislation on Golden Power is flanked by that on the National Cyber Security Perimeter ("**PSNC**"), established by Law no. 133/2019, which guarantees the protection of networks, information systems and IT services of public and private entities that perform essential functions or services for the

State. Any malfunction or misuse of such infrastructure may pose a risk to national security. The Group must comply with the PSNC regulations, under penalty of administrative penalties of up to 1.8 million euros. Using products and services without proper notification or without passing security testing may result in additional penalties, including a three-year ban from executive or administrative roles.

The Group ensures compliance with regulatory obligations through the specifically appointed figures in charge.

Cybersecurity perimeter in the European context

The entry into force of Directive (EU) 2022/2555, known as NIS2, transposed into Italian law with Legislative Decree 138/2024, introduces more stringent obligations in the field of governance, management and notification of incidents. The Group falls within the NIS2 perimeter and is one of the Essential Entities for the "Digital Infrastructure" sector. Failure to comply with these obligations can result in significant penalties, up to a maximum of 10 million euros or up to 2% of the global annual turnover.

The Group has launched a structured process of compliance with the regulations, in line with the deadlines set by Legislative Decree 138/2024 and the Guidelines of the National Cybersecurity Agency

Financial risks

The risks described below could materially affect the Group's financial position, results of operations and cash flows. To manage these exposures, the Group identifies and closely monitors the aforementioned risks, with the aim of promptly detecting potential negative effects and adopting appropriate mitigation measures. These efforts are mainly managed through the Group's operating and financing activities and, when necessary, through the use of derivative financial instruments.

Interest rate risk

The Group is exposed to interest rate risk on the portion of debt indexed to variable rates. The decision to maintain a certain debt structure with fixed and floating rates aims to minimise the negative impact of interest paid and is partially achieved through the use of interest rate swaps, through which floating-rate liabilities are converted into fixed-rate instruments. The use of interest rate swaps is solely intended to hedge the interest rate risks associated with cash flows and not for speculative purposes.

As of December 31, 2025, the coverage ratio is a significant part of its value. Any changes in interest rates that are not adequately hedged by derivatives could affect the economic profile of the Group's floating-rate financial liabilities, with possible negative impacts on results of operations and cash flows.

Liquidity risk

Liquidity risk is the risk that financial resources are not sufficient to meet financial and commercial obligations according to the established terms and deadlines. The Group monitors this risk through specific planning activities, in order to maintain a balance between financing requirements and their use.

In order to mitigate liquidity risk, the Group aims to maintain an adequate level of financial flexibility in terms of cash and available credit lines. In particular, the Group has a revolving credit facility of 2,120 million euros, maturing in June 2029, completely unused as of December 31, 2025, which allows it to cover refinancing needs well beyond the next 12-18 months.

For more information on the Group's main financial liabilities broken down by contractual maturity, as well as on the credit lines available as of December 31, 2025, please refer to Note 28 - *Qualitative and quantitative information on financial risks* in the separate financial statements and Note 28 - *Qualitative and quantitative information on financial risks* in the consolidated financial statements, included in this document.

Exchange rate risk

The Group is exposed to foreign exchange risk with respect to its USD-denominated bonds. To manage this risk, the Group's policy provides for the hedging of currency exposure relating to financial liabilities. Although these hedges are designed to mitigate the risk of exchange rate fluctuations, the possibility that the Group may be adversely affected by adverse changes in exchange rates cannot be completely excluded. An appreciation or depreciation of the Euro against the currencies of some of the countries in which the Group invests could have a positive or negative impact on the Group's operating result or overall financial position. As of December 31, 2025, the Group had an original exposure in USD to the principal and interest on USD bonds issued during the exchange of TIM bonds (for more information, please refer to the paragraph "*Group balance sheet and financial performance - Bonds*"). This risk has been hedged from the outset and for a significant part of its value (both principal and interest) through cross-currency interest rate swaps, executed with leading banking counterparties of international standing.

Credit risk

Credit risk is the risk that a counterparty will fail to meet its obligations relating to a financial instrument or a commercial contract, resulting in a loss. The Group is exposed to credit risk arising from its operating activities, mainly for trade receivables and financial assets, such as liquidity in bank accounts or deposits with banks and financial institutions.

With regard to liquidity management, the Group applies a specific credit policy that provides for the use of funds exclusively in instruments that meet the requirements for classification as *cash and cash equivalents*, characterized by high liquidity and prompt monetization. Financial counterparties are selected from institutions with Investment Grade ratings, and concentration limits are set for each issuer, in order to reduce exposure to a single counterparty.

At the balance sheet date, an analysis is carried out on the need for a write-down of trade receivables in

accordance with the provisions of IFRS 9. The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables and other financial receivables.

Trade receivables and other financial receivables are significantly concentrated among a limited number of key customers, thus increasing the potential impact of a possible default by one of these counterparties. As at 31 December 2025, the amount of financial assets considered to be of uncertain recoverability is not significant and is covered by the allowance for doubtful accounts.

Commodity price risk

The Group is exposed to the risk of fluctuations in raw material prices due to its energy consumption and the consequent exposure to the volatility of energy prices on the Italian market.

To mitigate this risk, the Group uses both multi-year supply contracts and hedging instruments for the prices available on the energy markets, aimed at stabilizing part of the expected costs. These tools make it possible to reduce the volatility of energy spending, while not completely eliminating exposure to possible market price developments, also in light of the current geopolitical context, such as ongoing international conflicts. Energy risk management is overseen by a dedicated committee, which carries out periodic analyses on forecast scenarios and stress tests to support hedging decisions, in line with the energy risk management strategy defined in a policy approved by the Board of Directors. At the same time, the Group will benefit from the initiatives carried out by other companies belonging to the HoldCo Group in the areas of energy efficiency and self-production.

The outlook for the global political-and economic environment remains subject to uncertainty, both due to the ongoing conflict between Russia and Ukraine and to the increasing tensions in the Middle East, where, in February 2026, a joint military operation by the United States and Israel against Iran was launched. At this stage, no direct impacts on the Company's business have been identified, although potential indirect effects may arise from an increase in the cost of raw materials and energy resources, as well as from heightened volatility in interest rates.

Transactions with related parties

During 2025, no transactions with related parties were carried out that had a significant impact on the Group's equity and financial position or results. Transactions with related parties, unless provided for by specific regulatory conditions, are settled at market conditions. Their implementation takes place in compliance with the internal procedure approved on 24 April 2025 by the Board of Directors of the company Optics Holdco S.r.l. This procedure sets out the procedural rules applicable to Related Party Transactions carried out by Optics Holdco S.r.l. and its subsidiaries with regard to (i) the approval process and (ii) the process of consolidation of information with related parties and the related disclosure in the financial statements in accordance with IAS 24.

For information on transactions with related parties, please refer to Note 29 - Transactions with related parties

of the consolidated financial statements included in this document.

Business Outlook

Looking ahead, the Group confirms a positive outlook, supported by steadily improving operating and financial performance, in line with the guidance through 2029. The fixed network sector in Italy, together with the broader telecommunications industry, continues to evolve rapidly, driven by the growing demand for high-speed connectivity and by a regulatory environment aimed at fostering the country's digital transformation.

As a leading infrastructure operator, the Group intends to strengthen its competitive position through stable revenue growth (2% CAGR over the 2025–2029 period) and improved profitability (EBITDAaL up by approximately 20% over the period). Growth will be supported by a strong focus on service quality and the promotion of technological innovation. In this context, the completion of the national Backbone network will play a central role, representing a key element to ensure transmission capacity, infrastructure resilience and support for the increasing demand for fiber-optic services.

The strategic priorities for the coming financial year also include accelerating the development of the FTTH infrastructure up to end-users' premises, further strengthening the network and the continued pursuit of operational efficiency. In parallel, the Group will continue to progress decisively with the switch-off of the legacy copper network, scheduled to be completed by 2028. This process will enable a structural reduction in operating costs ("Opex"), primarily driven by a reduction in energy consumption of more than 35%, the decommissioning of approximately two-thirds of central offices, and additional benefits arising from the optimization of general and personnel expenses.

Alongside the initiatives described above, investment growth represents a key pillar of the Group's strategy. Over the 2025–2027 period, cumulative capital expenditure ("Capex") of approximately €8.5 billion is planned, with the timing reflecting the completion of the FTTH network rollout, decommissioning initiatives and the necessary IT-related investments. From 2027 onwards, approximately 75% of Capex is expected to consist of maintenance, assurance and delivery activities, allowing for a significant reduction in investment levels and enhanced visibility on financial returns.

FiberCop S.p.A.

Alternative performance indicators

The Company's directors monitor and evaluate performance through alternative performance indicators, including EBITDA, Organic EBITDA, EBITDA-AL, Organic EBITDA-AL, Net Financial Debt and Net Financial Debt-AL. These indicators are considered useful for providing a picture of the Group's performance and financial condition, facilitating comparisons with other companies. They also offer comparable metrics that help administrators identify operational trends and make informed decisions about future spending, resource allocation, and other strategic decisions. The components of each of these indicators are described below.

EBITDA and Organic EBITDA

EBITDA is defined as Profit/(Loss) for the year before (i) income taxes, (ii) net financial expenses and foreign exchange losses and (iii) depreciation, amortization and (losses)/gains on disposals.

Organic EBITDA is defined as EBITDA adjusted for certain income and expenses, which are significant in nature and which directors consider not representative of ongoing operating activities.

The Company's directors use EBITDA and Organic EBITDA to evaluate and analyze operating performance. These indicators are considered useful as they exclude items that directors consider not representative of the Group's underlying operating performance and allow operating trends to be observed, analytical comparisons and benchmarks of performance over time.

The following table shows a reconciliation between the loss for the year and Organic EBITDA:

	For the year ended 31 December	
<i>(in € million)</i>	2025	2024
(Loss)/Profit for the year	(206)	(191)
Income taxes	(175)	32
Net financial expenses and foreign exchange losses	786	521
Operating result	405	362
Depreciation, amortization and (loss)/gains on disposals	1,615	969
EBITDA	2,020	1,331
Restructuring and non-recurring items	104	323
Organic EBITDA	2,124	1,654

EBITDA-AL and Organic EBITDA-AL

EBITDA-AL is defined as the profit/(loss) for the year before (i) income taxes, (ii) net financial charges and exchange rate losses, (iii) depreciation, amortization and (losses)/gains on disposals and (iv) adjusted for amounts related to the accounting treatment of lease contracts.

Organic EBITDA-AL is defined as EBITDA-AL adjusted for certain significant income and expenses that directors consider not representative of recurring operating activities.

The Company's directors use EBITDA-AL and Organic EBITDA-AL to evaluate and analyze the Group's operating performance. These alternative performance indicators are useful as they exclude elements that the directors believe are not representative of the Group's underlying operating performance, thus allowing operating trends to be observed and performance comparisons to be made over time.

The following table shows a reconciliation between the loss for the year and Organic EBITDA-AL:

<i>(in € million)</i>	For the year ended 31 December	
	2025	2024
(Loss)/Profit for the year	(206)	(191)
Income taxes	(175)	32
Net financial expenses and foreign exchange losses	786	521
Operating result	405	362
Depreciation, amortization and impairment losses and capital gains/(losses) on disposal of non-current assets	1,615	969
EBITDA	2,020	1,331
Leasing impact	(380)	(186)
EBITDA-AL	1,640	1,145
Restructuring and non-recurring items	104	323
Organic EBITDA-AL	1,744	1,468

Net Financial Debt and Net Financial Debt-AL

Net Financial Debt is defined as the sum of current and non-current financial payables, net of cash and cash equivalents and current financial assets.

Net Financial Debt-AL is defined as Net Financial Debt adjusted for the amounts related to the accounting treatment of lease contracts.

The Group's directors believe that this indicator: i) is a useful tool for monitoring the level of net liquidity and financial resources available to the Group; ii) supports the Group, investors and analysts in the analysis of the financial position and available financial resources; and iii) allows an effective comparison of the Group's financial position and available financial resources with those of other companies.

The following table shows the calculation of Net Financial Debt and Net Financial Debt-AL as of December 31, 2025 and 2024:

<i>(in € million)</i>	31/12/2025	31/12/2024
Cash and cash equivalents	2,591	997
Current financial assets	174	143
Cash and cash equivalents and current financial assets	2,764	1,140
Current financial liabilities	(869)	(408)
Non-current financial liabilities	(14,398)	(11,879)
Total financial liabilities	(15,268)	(12,287)
Net financial debt	(12,503)	(11,147)
Financial liabilities for leases	1,814	1,963
Net financial debt-AL	(10,689)	(9,184)

Key economic, financial and operating data of the Company

The following table shows the Company's main figures as at and for the year ended 31 December 2025.

<i>(in € million)</i>	For the year ended 31 December	
	2025	2024
Revenue	3,775	2,577
EBITDA		
Organic	2,124	1,654
Reported	2,020	1,331
EBITDA-AL		
Organic	1,744	1,468
Reported	1,640	1,145
(Loss)/Profit for the year	(206)	(191)

<i>(in € million)</i>	As of December 31, 2025	As of December 31, 2024
Equity	8,760	8,901
Net financial debt	(12,503)	(11,147)
Net financial debt-AL	(10,689)	(9,184)
Investments	2,713	2,031
Number of ESRI IUs (millions)	14.3	12.2
Number of employees (units/FTEs)	18,276	19,788

Reconciliation of the Parent Company's shareholders' equity

<i>(in € million)</i>	(Loss)/Profit for the year		Total Shareholders' Equity	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Parent Company	(206)	(191)	8,760	8,901
Shareholders' equity of consolidated companies	0	-	1	-
Elimination of the carrying value of consolidated companies	-	-	0	-
Intragroup eliminations	0	-	0	-
Consolidation entries	-	-	-	-
Consolidated	(206)	(191)	8,761	8,901

Treasury shares and shares of the parent company

As of December 31, 2025, the Group does not hold treasury shares or shares of the parent company, either directly or through trust companies or intermediaries. Furthermore, during the same year, the Group did not buy or sell treasury shares or shares of the parent company, either directly or through trust companies or intermediaries.

Rome, 25 March 2026

For the Board of Directors
The Chairman and Chief Executive Officer
Signed by: Massimo Sarmi



FiberCop

SEPARATE ANNUAL FINANCIAL STATEMENTS December 31, 2025

SEPARATE INCOME STATEMENT

<i>(in €)</i>	Note	For the year ended December 31	
		2025	2024
Revenues	6	3,775,482,492	2,577,200,225
Costs of goods and services	7	(847,673,859)	(501,122,165)
Personnel costs	8	(787,281,904)	(412,619,653)
Other operating (expenses)/income	9	(16,951,743)	(9,861,936)
Restructuring and non-recurring items	10	(104,267,435)	(322,931,993)
Depreciation and amortization	11	(1,622,056,488)	(967,548,406)
Gains/losses)/on disposals		7,621,378	(1,339,573)
Operating income/(loss)		404,872,441	361,776,498
Financial income	12	51,924,841	27,115,575
Financial expenses	12	(838,275,209)	(543,797,741)
Exchange gains/(losses)	12	176,977	(4,003,761)
(Loss)/Profit before taxes		(381,300,949)	(158,909,428)
Income taxes	13	174,985,821	(31,643,656)
(Loss)/Profit for the year		(206,315,128)	(190,553,084)

The accompanying explanatory notes form an integral part of these Separate Financial Statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

<i>(in €)</i>	Note	For the year ended December 31	
		2025	2024
(Loss)/Profit for the year		(206,315,128)	(190,553,084)
Other comprehensive income/(loss):			
Items that will be subsequently reclassified to the income statement:			
Net gain from cash flow hedges		107,667,454	(200,063,480)
Income taxes relating to these items	13	(25,840,190)	48,015,235
Items that will not be subsequently reclassified to the income statement:			
Actuarial gain/(loss) from defined benefit plans	23	9,579,998	(10,457,186)
Income taxes relating to these items	13	(2,302,620)	2,509,521
Total other comprehensive income/(loss), net of taxes		89,104,642	(159,995,910)
Total comprehensive income/(loss)		(117,210,486)	(350,548,994)

The accompanying explanatory notes form an integral part of these Separate Financial Statements

SEPARATE STATEMENT OF FINANCIAL POSITION

<i>(in €)</i>	Note	December 31, 2025	December 31, 2024
Assets			
Non-current assets			
Intangible assets	14	12,108,634,348	12,124,723,127
Property, Plant and equipment	15	12,169,375,958	10,614,535,273
Rights of use assets	16	2,319,457,691	2,689,364,288
Investments in subsidiaries		10,000	-
Non-current financial assets	17	9,333,482	132,501,161
Derivative financial instruments	22	9,387,107	-
Other non-current assets	19	394,675,001	217,875,094
Total non-current assets		27,010,873,587	25,778,998,943
Current assets			
Trade receivables	18	1,176,661,839	885,799,234
Inventories		28,541,007	33,139,717
Current financial assets	17	173,547,813	143,241,126
Income tax receivables		72,059,134	53,529,329
Other current assets	19	532,210,333	247,166,273
Cash and cash equivalents		2,590,940,495	996,959,960
Total current assets		4,573,960,621	2,359,835,639
Total assets		31,584,834,208	28,138,834,582

SEPARATE STATEMENT OF FINANCIAL POSITION

<i>(in €)</i>	Note	December 31, 2025	December 31, 2024
Liabilities and equity			
Total equity	20	8,760,469,138	8,901,104,268
Non-current liabilities			
Non-current financial debt	21	14,398,184,196	11,879,410,079
Derivative financial instruments	22	248,694,348	116,433,674
Employee benefits	23	264,766,955	308,597,055
Non-current provisions	24	663,289,531	886,852,565
Deferred tax liabilities	13	1,201,250,907	1,384,020,642
Other non-current liabilities	26	1,977,522,204	1,549,755,169
Total non-current liabilities		18,753,708,140	16,125,069,184
Current liabilities			
Current financial debt	21	869,360,412	408,496,297
Current provisions	24	104,028,446	56,639,801
Trade payables	25	2,361,777,587	2,138,902,421
Income tax payables		18,226,485	-
Other current liabilities	26	717,264,000	508,622,611
Total current liabilities		4,070,656,930	3,112,661,130
Total equity and liabilities		31,584,834,208	28,138,834,582

The accompanying explanatory notes form an integral part of these Separate Financial Statements.

SEPARATE CASH FLOW STATEMENT

<i>(in €)</i>	Note	For the year ended December 31	
		2025	2024
<i>Operating activities</i>			
(Loss)/Profit for the year		(206,315,128)	(190,553,084)
Income taxes	13	(174,985,821)	31,643,656
Depreciation and amortization	11	1,622,056,488	967,548,406
Financial income, financial expenses and exchange losses/(gains)	12	786,173,391	520,685,927
Write-downs and other provisions		70,267,479	234,600,097
Other non-cash expenses/(income), net		(248,624,626)	(58,738,321)
Change in trade receivables		(374,967,346)	(142,896,678)
Change in trade payables		199,455,313	730,522,680
Change in inventories		4,598,717	(5,793,368)
Collections from financial IRU receivables	17	178,555,000	111,368,000
Collections for guarantee deposits	17	92,575,032	-
Payments for guarantee deposits		-	(91,123,000)
Change in current and non-current provisions	24	(24,711,374)	(19,118,775)
Change in employee benefits	23	(43,099,203)	(4,649,338)
Change in other operating assets and liabilities		170,328,882	(53,118,863)
Income taxes paid		(167,617,882)	(221,871,904)
Net cash flow generated from operating activities		1,883,688,811	1,808,505,435
<i>Investment activities</i>			
Investments in tangible assets	15	(2,336,647,000)	(1,936,439,000)
Investments in intangible assets	14	(230,956,380)	(60,180,000)
Investments in rights of use assets	16	(78,862,767)	-
Investments in subsidiaries		(10,000)	-
Disposal of tangible, intangible assets and rights of use assets		33,769,175	3,977,622
Proceeds active financing		10,000,000	-
Net proceeds from loans to employees	17	1,520,000	2,866,000
Interest received		44,263,847	17,220,240
Proceeds from current financing	17	-	60,000,000
Payments for current financing	17	-	(80,000,000)
Net cash flow used in investing activities		(2,556,923,125)	(1,992,555,138)

SEPARATE CASH FLOW STATEMENT

<i>(in €)</i>	Note	For the year ended December 31	
		2025	2024
<i>Financing activities</i>			
Providing financing from third parties		-	195,000,000
Proceeds from bank loans	21	830,000,000	-
Proceeds from bonds	21	2,800,000,000	-
Repayment of bank loans	21	-	(1,500,000,000)
Repayment of other financial liabilities	21	-	(2,312,099,000)
Repayment of bonds	21	(375,000,000)	-
Other changes in financial liabilities		(34,618,582)	-
Other changes in financial assets		(3,359,041)	-
Repayments of lease liabilities	21	(372,686,745)	(146,733,000)
Interest paid		(570,892,756)	(334,860,677)
Proceeds from capital contribution and reverse merger		9,269,088	5,127,468,099
Proceeds from Ramo contribution		-	329,002
Proceeds from capital contribution and reverse merger		-	'''
Reserves allocation		(15,497,115)	-
Net cash flow provided by financing activities		2,267,214,849	1,029,104,424
Net cash flow from cash and cash equivalents		1,593,980,535	845,054,721
Cash and cash equivalents at beginning of the year		996.959.960	151,905,239
Cash and cash equivalents at the end of the year		2,590,940,495	996,959,960

The accompanying explanatory notes form an integral part of these Separate Financial Statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(in €)</i>	Share Capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total Equity
At January 1, 2024	10,000,000	4,841,050,000	-	(103,703,054)	1,042,778,967	5,790,125,913
(Loss)/Profit for the period	-	-	-	-	(190,553,084)	(190,553,084)
(Loss)/Profit on cash flow hedges	-	-	(152,048,245)	-	-	(152,048,245)
Net actuarial loss on defined benefit plans	-	-	-	(7,947,665)	-	(7,947,665)
Total comprehensive income/(losses)	-	-	(152,048,245)	(7,947,665)	(190,553,084)	(350,548,994)
Ramo Contribution	4,007,200	3,977,078,079	-	-	-	3,981,085,279
Capital Contribution	3,828,700	3,810,832,049	-	-	-	3,814,660,749
Reverse Merger	-	(4,334,236,247)	-	-	-	(4,334,236,247)
Other changes	-	-	-	17,568	-	17,568
At December 31, 2024	17,835,900	8,294,723,881	(152,048,245)	(111,633,151)	852,225,883	8,901,104,268

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(in €)</i>	Share Capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total Equity
At January 1, 2025	17,835,900	8,294,723,881	(152,048,245)	(111,633,151)	852,225,883	8,901,104,268
(Loss)/Profit for the year	-	-	-	-	(206,315,128)	(206,315,128)
(Loss)/Profit on cash flow hedges	-	-	81,827,264	-	-	81,827,264
Net actuarial loss on defined benefit plans	-	-	-	7,277,378	-	7,277,378
Total comprehensive income /(losses)	-	-	81,827,264	7,277,378	(206,315,128)	(117,210,486)
Reserves allocation	-	-	-	-	(23,434,663)	(23,434,663)
PrepCo Merger	-	-	-	10,018	-	10,018
Other changes	-	-	-	1,567,180	(1,567,180)	-
At December 31, 2025	17,835,900	8,294,723,881	(70,220,981)	(102,778,575)	620,908,912	8,760,469,138

The accompanying explanatory notes form an integral part of these Separate Financial Statements.

Rome, 25 March 2026

For the Board of Directors
The Chairman and Chief Executive Officer
Signed by: Massimo Sarmi

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

1. General information

FiberCop S.p.A. (hereinafter "**FiberCop**" or the "**Company**") is a company incorporated in November 2020 and domiciled in Italy, with registered office in Milan, Via Marco Aurelio 24, and organized according to the legal system of the Italian Republic.

FiberCop is the most advanced, extensive and complete digital network infrastructure operator in the country. With ultra-broadband exceeding 96% of active lines, it reaches about 46% of national residential units with fiber to the home ("**FTTH**") technology.

The Company is a unique case within the European Union, representing the first example of ownership separation from the main national telecommunications operator. With total investments of €2,713 million in 2025, the Company continues with its ultra-broadband strategy, with the aim of accelerating the development of the fiber optic network.

With 13,747 thousand active lines on its network, the Company is the leading operator in Italy in the fixed broadband access sector, offering operators a complete and integrated range of reliable and innovative solutions, supported by a cutting-edge and constantly evolving technological network. The Company's activities – which include access infrastructure, high-capacity networks and transport infrastructures, as well as monitoring, diagnostics, installation and maintenance support services – respond to the growing needs of the market and the search for the most suitable solution for the individual customer and guarantee the highest level of quality, safety, reliability and stability.

The establishment of FiberCop was part of a project aimed at expanding fiber optic coverage on the Italian territory. The Company, initially established by the sole shareholder TIM S.p.A. and subsequently, in March 2021, purchased by Teemo Bidco Sarl, controlled by funds managed or assisted by KKR, and Fastweb S.p.A. at 37.5% and 4.5% respectively, was the subject of a major corporate reorganization during the previous year.

On 1 July 2024, in fact, a complex transaction was completed for the transfer by TIM S.p.A. of the business unit relating to the primary fiber and copper network in FiberCop, as well as the reorganisation of the shareholding structure through the acquisition of the shareholdings held by TIM and Fastweb by Optics BidCo. The latter became the sole shareholder of the Company and was subsequently incorporated into FiberCop with accounting and tax effects from 1 July 2024 ("**Business combination**").

2. Basis of preparation

Statement of compliance with IFRS

These financial statements, relating to the year ended 31 December 2025, have been prepared in accordance with the IFRS Accounting Standards, meaning the *International Accounting Standards* ("IAS") and *International Financial Reporting Standards* ("IFRS") issued by the *International Accounting Standards Board* ("IASB"), and the interpretations issued by the *IFRS Interpretations Committee* ("IFRIC") and the *Standing Interpretations Committee* ("SIC"), adopted by the European Union pursuant to Regulation (EC) No. 1606/2002 and in force at the end of the financial year.

Content and structure of the Separate Financial Statements

These separate financial statements include the income statement, comprehensive income statement, statement of financial position, cash flow statement, statement of changes in equity and explanatory notes (collectively referred to as the "**Separate Financial Statements**").

The classification criteria adopted by the Company are indicated below:

- the separate income statement has been prepared by classifying operating costs by nature, in line with internal reporting processes and business operations;
- the separate statement of comprehensive income has been prepared as a separate statement, and includes, in addition to the profit or loss for the year shown in the income statement, also the items of income and expenses that pass directly among other changes in equity attributable to transactions not carried out with the Company's shareholders;
- The separate statement of financial position has been prepared by classifying the assets and liabilities according to the "current/non-current" method. Current items are those that are expected to be realized within 12 months of the date of the separate financial statements or that will be sold or consumed in the Company's normal operating cycle;
- the separate cash flow statement has been prepared using the "indirect method" as permitted by IAS 7 – *Cash Flow Statement*, and presents cash flows broken down by operating, investing and financing activities;
- the statement of changes in separate equity shows changes in shareholders' equity;
- The explanatory notes to the separate financial statements include a summary of the main accounting policies and other explanatory information.

The Separate Financial Statements are presented in Euros ("€"), which is the Company's functional and presentation currency, and the amounts are expressed in thousands of Euros, unless otherwise indicated.

The Separate Financial Statements have been prepared on a going concern basis and applying the historical

cost method, amended, where required, for certain financial assets and liabilities (including derivative instruments), measured at *fair value*. Revenues and expenses are recognised on an accrual basis.

The preparation of the Separate Financial Statements requires directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as to provide information on contingent liabilities. If in the future such estimates and assumptions, based on the best judgment of the directors as of the date of these Separate Financial Statements, differ from actual circumstances, the original estimates and assumptions will be adjusted accordingly at the time such changes occur.

These Separate Financial Statements were approved by the Board of Directors of FiberCop S.p.A. ("**Board of Directors**") on March 25, 2026.

Other information

The following table shows the exchange rates applied by the Company for the conversion of amounts in foreign currencies into Euros.

	Average for the year ended December 31, 2025	As of December 31, 2025
USD	1.130	1.175

3. Accounting principles and estimates

Intangible assets with an indefinite useful life

Goodwill is not amortized but is subject to impairment tests annually or more frequently, if the events or changes in circumstances indicate that might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business consider the carrying amount goodwill related to the business disposed.

Goodwill is allocated to cash generating units ("**Cash Generating Units**" or "**CGUs**") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The CGUs or groups of CGUs are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

The Company has determined that it has one operating and one reportable segment, reflecting the Company's business model of providing access network services in Italy. Therefore, the Company has determined that it has only one CGU. The goodwill recorded in the consolidated financial statements as at 31 December 2025 and relates entirely to the CGU relating to the provision of access services and has been monitored and subjected to *impairment tests*.

Intangible assets with a definite useful life

Intangible assets with a definite useful life are recognized at acquisition or production cost, net of accumulated amortization and any impairment losses. Production costs include reasonably allocable direct and indirect costs incurred until the asset is ready for use. Amortization begins when the asset is available for use and is systematically allocated over its remaining estimated useful life.

Separately acquired licenses, trademarks and patents are recorded at historical cost. Intangible assets with definitive useful life acquired in a business combination are recognized at fair value at the acquisition date and subsequently recognized at cost, less accumulated amortization and impairment losses.

The useful life estimated by the Company for the various categories of intangible assets are shown below:

Intangible asset classes	Amortization Rates [min - max]
Licenses and trademarks	6,67% - 6,67%
Patents and software	16,67% - 50%
Customer relationship	2,7% - 2,7%

Tangible assets

Property, plant and equipment are recognised at acquisition or production cost, including ancillary costs, less accumulated amortization and any impairment losses. The production cost includes direct and indirect costs, for the portion reasonably attributable, incurred until the asset comes into operation. Costs incurred thereafter are capitalised or recognised as a separate asset only if they increase the future economic benefits inherent in the asset to which they refer. The carrying amount of the replaced parts is eliminated. Repair and maintenance costs are charged to the income statement for the period in which they are incurred; The most important strategic spare parts are capitalized at the time of purchase and depreciated from the moment they are installed.

The cost of tangible assets also includes future costs related to the decommissioning of assets and the restoration of sites where there is a legal or implicit obligation. The corresponding liability is recognised in a provision recognised under liabilities under provisions for risks and charges, at present value; The capitalised expense is recognised in the income statement over the useful life of the related tangible assets through the amortisation process. The estimates of decommissioning costs, discount rates and the dates on which these costs are expected to be incurred are restated annually, at each balance sheet closure.

Property, plant and equipment acquired as part of a business combination is recognised at *fair value* at the acquisition date. These assets have a defined useful life and are subsequently accounted for at cost, net of accumulated depreciation and any impairment losses.

The amortization of tangible assets is calculated on a straight-line basis, in relation to the estimated useful life

and their residual value. The average useful life estimated by the Company for the various categories of property, plant and equipment is shown below:

Tangible asset classes	Amortization Rates [min - max]
Plant and machinery	1,67% -33,33%
Land and buildings	3,03% -6,67%
Commercial and industrial equipment	20,00% - 20,00%
Other tangible assets	11,11% -33,33%

The useful life of tangible assets is reviewed and updated, where necessary, at least at the end of each period: if the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is reduced to that recoverable amount.

Leased assets

Lease agreements mainly concern buildings, industrial and commercial equipment and vehicles.

The terms of contracts are negotiated individually and contain a wide range of different terms and conditions. Contracts may include both leasing and non-leasing components. The Company assigns the consideration in the contract to the leasing and non-leasing components based on their stand-alone prices. However, for leases of properties in which the Company is a lessee, the Company has decided not to separate the lease and non-lease components, treating them as a single lease component.

Lease liabilities are measured at the present value of future payments, discounted at the lessee's marginal borrowing rate ("**IBR**") as the implied interest rate of the lease is not easily determined. The IBR as of the reference date is calculated taking into account the terms of the lease, geography and Company-specific rates. After the date of first recognition, the amount of lease liabilities is increased to take account of accrued interest and reduced for rental payments paid. In addition, the book value is remeasured if there is a change in the duration of the lease or in the rents.

Lease liabilities include the net present value of the following payments: (i) fixed rents (including fixed payments in substance) net of any incentives; (ii) variable rents based on an index or a rate and therefore determinable on the start date; (iii) the exercise price of the call option, if the lessee is reasonably certain to exercise it; (iv) penalties for termination, if the terms of the contract provide that the lessee may exercise this option; (v) payments due in an optional renewal period, if the Company has reasonable certainty to exercise such option.

The costs deriving from leases are divided between depreciation and amortization and financial charges. Leases are recognized as right-of-use assets and liabilities corresponding to the date on which the asset is available for use by the Company.

The payment of the rents is divided between capital and financial charges; the latter are recognised in the income statement over the life of the lease, so as to produce a constant interest rate on the remaining balance of the liability for each period.

Right-of-use assets are recognised at cost, which includes the following: (i) the initial amount of the lease liability; (ii) any rent payments made on or before the contract commencement date less incentives received; (iii) any initial costs directly attributable to the contract; (iv) costs of restoring the site, if any.

Right-of-use assets are generally depreciated on a straight-line basis, over the shorter period between the useful life of the asset and the duration of the lease contract. Some leases contain extension and termination options, in most cases exercisable only by the Company and not by the respective lessor. If at the end of the lease the transfer of ownership of the leased asset is envisaged or if the cost of the asset subject to the right of use already includes a purchase option whose exercise is reasonably certain, depreciation is carried out on the basis of the expected useful life of the leased asset. Right-of-use assets are subject to impairment audits.

The Company applies the provisions of IFRS 16, where the criteria and requirements of IFRS 16 are met, to contractual arrangements relating to cloud-based software assets and transmission frequency spectrum over optical fiber networks. This approach is functional to the highly innovative specificities of these types of contracts, which involve hardware and optical transmission infrastructures, as well as technologically advanced software.

The Company uses exemptions that allow the exclusion of contracts with a duration equal to or less than one year (even if residual from the date of first adoption of IFRS) and contracts involving assets whose value is less than \$5,000. These costs are recognized as services, in the line of use of third-party assets.

In the statement of financial position, the Company discloses the right-of-use assets under non-current assets and lease liabilities under current and non-current loans. In the income statement, interest expense on lease liabilities is a component of financial charges and is shown separately from the depreciation of right-of-use assets. The Company recognises deferred taxation on right-of-use assets and lease financial liabilities where taxable or deductible differences arise.

If the Company is a lessor counterparty, it classifies each of its "active" leases as a finance lease or an operating lease. To this end, the Company generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as financial, otherwise as operational. For operating leases, rental income is recognized on a linear basis during the lease period. For finance leases, the Company recognizes a credit in an amount equal to the net investment in the lease and recognizes interest income during the lease period using the effective interest rate method.

Business combinations

Business combinations are accounted for using the *acquisition method*, in accordance with IFRS 3. In particular,

identifiable assets acquired, liabilities and contingent liabilities assumed are recognised at their *fair value* at the acquisition date, i.e. the date on which control is acquired (the "**Acquisition Date**"), with the exception of deferred tax assets and liabilities, assets and liabilities relating to employee benefits, leasing contracts and assets held for sale, which are recorded in accordance with the relevant accounting standards. The consideration for the acquisition is represented by the *fair value* at the acquisition date of the transferred assets, liabilities assumed and equity instruments issued for the purpose of the acquisition, and also includes the contingent consideration, i.e. that part of the consideration whose amount and disbursement are dependent on future events. Acquisition costs are recognised in the consolidated income statement when they are incurred. Goodwill is measured as the excess of the sum of the acquisition price and the amount of any minority interests already held by the acquirer, over the net *fair value* of the identifiable assets acquired and liabilities assumed. If, following the adjustment to *fair value* of the identifiable assets acquired, liabilities and contingent liabilities assumed, it results in a negative difference, the excess would be recognised in the income statement as a good-deal acquisition gain.

In the event that the *fair value* of assets, liabilities and contingent liabilities could only be determined on a provisional basis, the business combination would be recognised using these temporary amounts. Any adjustment due to the completion of the valuation process is recognized within twelve months of the acquisition date. In the year in which the aforementioned determination is concluded, the provisionally recognised figures are adjusted retrospectively.

The purchase of shareholdings in subsidiaries and the sale of shares, which do not result in loss of control, are considered transactions between shareholders; as such, accounting effects are recognised directly in the Company's equity.

Impairment of intangible and tangible assets

Goodwill and intangible assets with an indefinite useful life are not subject to amortization but are subject to impairment tests annually or more frequently, in the presence of indicators that may suggest that they may have undergone an impairment. Other assets are subject to impairment testing whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount in which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the greater of the *fair value* of the asset net of disposal costs and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are largely independent of cash flows from other assets or groups of assets (CGUs). Non-financial assets, with the exception of goodwill, which have been subject to impairment, are examined for a possible reversal of impairment at the end of each reporting period.

Financing costs

General and specific financing costs that are directly attributable to the acquisition, construction, or production

of a qualifying asset are capitalized during the period of time necessary to complete and make the asset ready for its intended use or sale. Assets that justify capitalization are assets that necessarily require a long period of time to be ready for their use or sale.

Other financing costs are accounted for as expenses over the period in which they are incurred.

Inventories

Inventories are recorded at the lower of the purchase or production cost and the net realisable value. The cost is determined by using the weighted average cost method.

The cost of finished products and semi-finished products includes raw materials, direct labour costs and an appropriate proportion of variable and fixed overheads, determined on the basis of normal operating capacity. The costs of inventories purchased are determined by net refunds and discounts. The net realisable value is the estimated sale price in the normal course of the business, less the estimated costs to complete and the estimated costs required to carry out the sale.

Provisions for impairment losses are also allocated for inventories considered obsolete or slow-turning, taking into account their expected future use and their presumed realisable value.

Cash and cash equivalents

For the purposes of presentation in the cash flow statement, cash and cash equivalents include cash, demand deposits with financial institutions, other highly liquid short-term investments with an original maturity of three months or less, which are easily convertible into known amounts of cash and are subject to an insignificant risk of changes in value, as well as bank overdrafts. Bank overdrafts are reported under financial payables in the current liabilities of the balance sheet.

Trade receivables

Trade receivables are initially recognised for the amount of unconditional consideration, unless they contain significant financial components, in which case they are recognised at *fair value*. Subsequently, they are measured at amortised cost using the effective interest rate method, net of the provision for doubtful debts.

Transfer of receivables

The Company carries out assignments of receivables through factoring and securitization contracts. Such assignments, in most cases, are characterized by the transfer to third parties of substantially all the risks and rewards relating to the receivables, thus meeting the requirements of IFRS 9 for the reversal of the same. Specific service contracts, by virtue of which the purchasers mandate the Company to manage the collection and management of receivables, have been stipulated to maintain the relationship between the Company and its customers.

Other financial assets

Current and non-current financial assets are generated in the normal course of business and held with the aim of collecting contractual cash flows consisting exclusively of principal and interest payments, in accordance with the criteria established by IFRS 9. Consequently, they are initially recognised at *fair value*, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method (i.e. the rate that, at initial recognition, makes the present value of expected cash flows equal to carrying amount), appropriately adjusted to take into account any impairments. through the recognition of a provision for doubtful debts for doubtful receivables.

Other financial assets are included in current assets, with the exception of those with a contractual maturity of more than twelve months from the balance sheet date, which are classified as non-current assets. Receivables with a maturity of more than twelve months and without significant financial components are presented at their present value.

In accordance with IFRS 9, financial assets are classified on the basis of the business model adopted for their management and the characteristics of the contractual cash flows (*Solely Payments of Principal and Interest - SPPI Test*). In addition to assets measured at amortised cost, financial instruments can be classified:

- at *fair value* with impact on comprehensive income (**FVOCI**) when they are managed according to a "Hold to Collect and Sell" model and have contractual flows consistent with the passing of the SPPI Test;
- at *fair value* with impact on the income statement (**FVTPL**), when they do not meet the criteria for measurement at amortised cost or FVOCI, including held-for-trading instruments and non-hedging derivatives.

Financial assets measured at *fair value* are accounted for initially and subsequently at *fair value*, with changes in the statement of comprehensive income or directly recognised in the income statement depending on the category to which they belong.

Impairment of financial assets

At each balance sheet date, financial assets, with the exception of those measured at *fair value*, are analysed for indicators of any impairment.

According to IFRS 9, a model for forecasting expected credit losses must be applied when assessing an *impairment*. In carrying out this assessment, the Company applies a standard simplified approach to estimating expected credit losses over the life of the Company and takes into account its historical experience with credit losses, adjusted for forward-looking factors specific to the nature of the Company's receivables and the economic environment. If there is evidence of impairment, the loss is recognised in the income statement under net write-downs of financial assets and contractual assets.

Trade receivables and other assets are written down when there is no rational expectation of being recovered. Indicators that signal the absence of rational expectations of recovery include, among others, the inability of a creditor to commit to a recovery plan with the Company, and the inability to make contractual payments for a significant period of time.

For financial assets accounted for on an amortised cost basis, when an impairment loss has been identified, its value is measured as the difference between the carrying amount of the asset and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognised in the income statement.

Financial liabilities

Financial liabilities include financial payables, as well as other financial liabilities, including derivative financial instruments and liabilities relating to assets recorded under finance lease agreements, in accordance with IFRS 16. Under IFRS 9, they also include trade payables and other sundry liabilities.

Financial liabilities, with the exception of derivative financial instruments, are initially recognised at *fair value* and subsequently measured at amortised cost. Financial liabilities hedged by derivative financial instruments, designed to manage the risk of changes in cash flows (*cash flow hedges*), continue to be measured at amortised cost, in accordance with the methods established by IFRS 9 for hedge accounting.

Trade payables

Trade payables are recorded at amortised cost and do not generate interest.

Derivative financial instruments

Derivative financial instruments are used as an economic hedge only for the purpose of reducing interest rate risk and exchange rate risk. The Company hedges variable interest rate risks on its loans using interest rate swaps ("**IRS**") and mitigates exchange rate risks on bonds denominated in currencies other than the Euro using cross-currency interest rate swaps ("**CCIRS**"). All derivatives are used exclusively for hedging purposes, not for speculative purposes.

Derivative instruments are initially recognised at *fair value* at the date on which the underlying contract is entered into, and are subsequently recognised at their *fair value* at the end of each reporting period. The accounting for subsequent changes in *fair value* depends on whether the derivative is designated as a hedging instrument or not and, if so, on the nature of the hedged item. The Company designates certain derivatives as hedge instruments of a specific risk associated with the cash flows of recognized assets and liabilities and anticipated high-probability transactions.

At the beginning of the hedging relationship, the Company documents the economic relationship between the hedging instruments and the hedged items, including the measurement of whether changes in the cash flows of the hedging instruments are intended to offset changes in the cash flows of the hedged items. The Company documents

its risk management objective and the strategy adopted to undertake hedging transactions.

Financial derivatives qualify for accounting as hedging instruments only when there is a formal designation and documentation of the hedging relationship at the beginning of the hedging relationship, when the hedge is expected to be highly effective, and when effectiveness can be reliably measured and is highly effective during the periods for which it was designated.

Cash flow hedging instruments

When a derivative financial instrument is designated as an instrument to hedge exposure to the variability of future cash flows of an asset or liability recognised in the balance sheet or a highly probable anticipated transaction and is likely to impact the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in the statement of comprehensive income through a specific capital buffer ("**Cash flow hedge reserve**"). The cumulative gain or loss is reclassified from the statement of comprehensive income to the income statement when the economic effects of the hedged item impact the income statement.

The gain or loss associated with a hedge or a portion of the hedge that has become ineffective is recognized in the income statement immediately within net financial income (expense). When a hedging instrument or relationship is extinguished (e.g., the derivative is sold, reaches maturity, or the hedging relationship no longer qualifies as effective), but the Company expects the hedged transaction to occur in the future, the cumulative gain or loss realized at the time of settlement remains in the statement of comprehensive income and is recognized in the income statement at the time the underlying transaction takes place. If the underlying transaction is no longer likely, the cumulative gain or loss in the statement of comprehensive income is immediately recognized in the income statement.

If accounting as a hedging instrument cannot be applied, gains or losses arising from the *fair value* measurement of derivative financial instruments are immediately recognised as net financial income (expense).

Employee benefits

Short-term liabilities

Payroll and wage liabilities, including non-cash benefits, annual leave and accrued sick leave that are expected to be paid in full within 12 months of the end of the period in which employees perform the relevant service, are recognized in respect of services rendered by employees until the end of the reporting period, and are measured at the amounts that are expected to be paid when the liabilities are settled. These liabilities are presented as current liabilities on the balance sheet.

Post-employment benefits Defined contribution plans

Costs arising from defined contribution plans are accounted for as expenses at the time they occur.

Defined benefit plans

The Company's net obligations are determined separately for each plan, estimating the present value of future benefits that employees have accrued in the current and prior periods, and deducting the *fair value* of any plan assets.

The present value of defined benefit obligations is measured using actuarial techniques, and benefits are attributed to periods in which the obligation to provide post-employment benefits arises, using the *projected unit credit method*. Actuarial hires are based on management's best estimates. The defined cost of benefit components are accounted for as follows:

- service costs are recognised in the income statement under personnel costs;
- the net cost of interest on the defined benefit liability is recognised in the income statement under financial expenses;
- The components of the revaluation of the net liability, which include actuarial gains and losses, are recognised immediately in other items of comprehensive income.

These revaluation components are not reclassified to the income statement in a subsequent period.

Post-employment benefits include the obligation relating to the settlement of the severance pay ("**TFR**") provided for by Italian law. The amount of severance pay to which each employee is entitled must be paid when the latter leaves the Company and is calculated on the basis of the period of employment and taxable income of each employee. Under certain conditions, the right to consideration can be partially advanced to the employee during his or her working life. The severance indemnity scheme is classified as a defined contribution plan and the Company recognises the associated costs during the period in which the employee is employed.

Starting from 1 January 2007, the so-called "Tax Authority". The 2007 Finance Law and the related implementing decrees introduced significant changes to the rules on severance pay, including the employee's choice regarding the destination of his or her accruing severance pay. In particular, the new flows of severance pay may be directed by the worker to chosen pension forms or kept in the company. In the case of allocation to external pension schemes, the Company is subject only to the payment of a defined contribution to the chosen fund, and from that date onwards the newly accrued portions are in the nature of defined contribution plans not subject to actuarial valuation.

Provisions for risks and charges

Provisions for risks and charges are recognised only when there is a current obligation, legal or implicit, for a future outflow of economic resources as a result of past events and it is probable that such outflow will be required for the performance of the obligation. This amount represents the best estimate of the cost of extinguishing the obligation or transferring it to a third party on the closing date. The rate used when assessing the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

When the financial effect of time is significant and the bond payment dates are reliably estimated, funds are valued at the present value of the expected disbursement using a rate that reflects market conditions, the change in

the cost of money over time, and the specific risk associated with the bond. The increase in the value of the fund, determined by changes in the cost of money over time, is accounted for as interest expense.

The costs that the Company expects to incur in implementing restructuring programs are recognized in the period in which the program is formally defined and a legitimate expectation arises that the restructuring will take place among the parties concerned. The funds are periodically updated to reflect changes in cost estimates, implementation times and discount rate; Updates to estimates are charged to the same item in the income statement that the provision previously recognized. The risks for which the occurrence of a liability is only possible are indicated in the appropriate information section on contingent liabilities and no allocation is made for them.

Revenue

Revenues derive mainly from the sale of services to wholesale customers, as part of the Company's ordinary activities. Revenue is recognized when control over a product or service is transferred to the customer. Revenues are measured at the transaction price, which is based on the consideration the Company expects to receive in exchange for the transfer of the promised goods or services to the client and excludes any sales incentives, refunds or discounts, as well as taxes paid by clients and remitted to the tax authorities.

Revenue from the provision of services is recognized over time ("**over time**") as the Company meets the performance obligation based on the status of completion of the service, which is based on actual consumption. Delivery and activation services are identified as separate performance obligations and, therefore, the revenues deriving from these services are recognized at the time of service provision ("**point in time**"). Revenue for services rendered to wholesale customers is typically billed on a monthly basis and is due 60 days after the date of issue. Long-term trade receivables are recorded at their present value when the financial component is significant in relation to the total value of the contract. The discount rate applied also takes into account the customer's credit risk. The Company chooses not to recognize a significant financial component if the time between the transfer of goods or services to the client and payment is one year or less.

Recognition of network engineering revenue may involve the recording of a contracted asset or liability. In particular:

- Contracted assets represent the right to consideration in exchange for goods or services that have been transferred to the customer when the right is affected by something other than the passage of time;
- liabilities arising from the contract represent the obligation to transfer goods or services to the client for which the Company has received (or is to receive) consideration.

IRU Agreements

The Company enters into Indefeasible Rights of Use ("**IRU**") agreements as lessor, granting lessees the exclusive right to use specific telecommunications infrastructure, such as fiber optic cables, for a fixed period of time.

IRU contracts are classified as finance leases or operating leases based on the valuation of the terms of each lease, in accordance with IFRS 16.

IRU contracts that transfer control to the lessee are classified as finance leases. For IRUs classified as finance leases, the Company eliminates the assets subject to such leases and recognises a lease receivable equal to the net investment in the lease at the contract commencement date. Revenues are recorded point-in-time. The subsequent financial income on the lease credit is recognised over the term of the contract, using the effective interest rate method.

IRU agreements that do not transfer control to the lessee are classified as operating leases. For IRUs classified as operating leases, the Company recognizes the amount advanced as deferred income and the revenues are recognized over the term of the contract, recognizing the financial component if significant. Property, plant and equipment under operating leases remain in the Company's statement of financial position and are depreciated over their useful life.

Revenues related to IRU maintenance services are recognised over time on a straight-line basis.

Government Grants

Government grants are recognized at *fair value* where there is reasonable certainty that the grant will be received and that the Company will comply with all the conditions associated with it. Government contributions relating to costs are deferred and recognised in the income statement over the period necessary to match them to the costs they are intended to offset.

Grants intended to support the economic result of specific transactions are classified as operating grants and recognised in the income statement on a straight-line basis over the duration of the economic incentive period.

Taxes

Current taxes are determined based on the estimate of taxable income, in accordance with the tax regulations applicable to the Company.

Deferred tax assets and deferred tax liabilities are calculated against all differences that arise between the taxable amount of an asset or liability and its carrying amount, with the exception of goodwill at initial recognition.

Deferred tax assets, including those relating to tax losses carried forward, for the portion not offset by deferred tax liabilities, are recognised to the extent that it is probable that taxable income will be available in the future against which they can be recovered. Deferred tax assets and deferred tax liabilities are determined using the tax rates that are expected to be applicable in the periods in which the differences are realized or settled.

The Company recognizes deferred tax assets associated with deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the near future and that taxable income will be available, against which the temporary difference can be used. Deferred tax

assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognised to the extent that it is probable that future gains will be available against which they can be used. The Company monitors unrecognized deferred tax assets at each balance sheet date and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow for the recovery of the deferred tax asset.

Current income taxes and deferred taxes are offset when they are imposed by the same taxing authority, there is a legal right to set off, and a net balance is expected to be settled. Current taxes, deferred tax assets and deferred tax liabilities are recognised in the income statement under "Income taxes", with the exception of those relating to items recognised under comprehensive income and those relating to items directly debited or credited to equity. In the latter cases, deferred tax liabilities are recognised in the statement of comprehensive income and directly in equity.

Other taxes not related to income, such as indirect taxes and taxes, are included in "Other (expenses)/income" in the income statement.

Starting from the 2025 financial year, the Company has adhered to the group taxation regime of the national tax consolidation, governed by Articles 117-129 of Presidential Decree 917/1986 (TUIR) and by the Ministerial Decree of 1 March 2018, prepared by the consolidating company Optics Holdco S.r.l., which holds 100% of the Company's share capital and meets the control requirements provided for by art. 120 TUIR.

These financial statements reflect the impacts of adherence to the regime, which does not change the criteria for the recognition and measurement of current and deferred taxes, but does affect the dynamics of IRES settlement and intra-group credit/debit positions deriving from transfers of tax income.

Recently issued accounting standards

New standards and amendments effective January 1, 2025

The following new standards and amendments, effective January 1, 2025, have been adopted by the Company.

In August 2023, the IASB published amendments to IAS 21 — *Effects of Foreign Exchange Changes: Lack of Convertibility*, to clarify how an entity should apply a consistent approach to assessing whether a currency is convertible into another currency and, when it is not, determine the exchange rate to be used and the information to be provided. The amendments are effective from 1 January 2025 or later. These changes did not have an impact on the Company's financial statements.

New standards, amendments and interpretations not yet effective

The following new standards, amendments and interpretations, issued by the IASB, are effective as of January 1, 2026, or later:

In April 2024, the IASB published IFRS 18 — *Presentation and Disclosures in Financial Statements*, which introduces new concepts relating to: (i) the structure of the income statement, (ii) the disclosures required in the statement of financial position for certain measures of income statement reported outside an entity's financial statements (performance measures defined by the Directors), and (iii) improved aggregation and disaggregation principles that apply to the financial statements and the notes to the financial statements. The standard will come into force on 1 January 2027. The Company is assessing the impact of adopting this standard referring to the Income Statement structure and performance indicator.

In May 2024, the IASB published IFRS 19 — *Controlled Entities Without Public Responsibility: Disclosure*, which allows subsidiaries to use IFRS accounting standards with a reduction in required information, better suited to the needs of users of their financial statements. This principle also allows them to maintain a single set of accounting records to meet the needs of both their parent company and the users of their financial statements. The standard will come into force from 1 January 2027 and early application is allowed. The Company is assessing the potential impact of adopting this standard.

In May 2024, the IASB published amendments to *the Classification and Measurement of Financial Instruments*, which amended IFRS 9 — *Financial Instruments* and IFRS 7 — *Financial Instruments: Disclosures*, with the aim of reducing divergences in the application of standards, making the requirements clearer and more consistent.

The amendments: (a) clarify the date of recognition and termination of specific financial instruments, introducing a new exception for certain financial liabilities that can be settled through electronic transfer systems, which can be eliminated before the settlement date, provided that certain criteria are met; (b) provide further clarification and guidance to determine whether a financial asset meets the principal and interest payments only ("SPPI") criterion; (c) introduce new information to be provided for instruments with contractual terms that may change cash flows (such as instruments linked to environmental, social and governance ("ESG") objectives); and (d) update the information to be provided for equity instruments designated at *fair value* in the statement of comprehensive income ("FVOCI"). The changes will come into force from 1 January 2026 and early application is permitted. The Company is evaluating the potential impact of adopting these changes.

In July 2024, the IASB released *Annual Improvements to IFRS Accounting Standards — Volume 11* which contains amendments to five standards as a result of the IASB's draft annual improvements. The IASB uses the annual improvements process to make necessary, but not urgent, changes to IFRSs that will not be included as part of another major project. The amended standards are: IFRS 1 — *First-time adoption of International Accounting Standards*; IFRS 7 — *Financial Instruments: Disclosures* and its *IFRS 7 Implementation Guide*; IFRS 9 — *Financial instruments*; IFRS 10 — *Consolidated Financial Statements*; and IAS 7 *Statement of Cash Flows*. The changes will come into force from 1 January 2026 or later, and early application is permitted. The Company is evaluating the potential impact of adopting these changes.

In December 2024, the IASB issued amendments to electricity contracts dependent on renewable sources, which made amendments to IFRS 9 - *Financial Instruments* and IFRS 7 - *Financial Instruments: Disclosures*. These

changes were introduced to help companies more clearly report on the financial effects of electricity dependent on renewable sources, which are often structured as **Power Purchase Agreements ("PPAs")**, in view of the increasing prevalence of such contracts. The changes will be effective from 1 January 2026, with the possibility of early application. The Company is evaluating the potential impact of adopting these changes.

4. Estimates and material assumptions

The preparation of a financial statement requires the making of accounting estimates and assumptions, also based on subjective judgments, past experience as well as assumptions considered reasonable and realistic. This note provides an overview of the areas that involve a greater degree of judgment or complexity, as well as the items that could be significantly adjusted as a result of the different outcome with respect to the estimates and assumptions formulated. Details of each of these estimates and valuations are included in the other notes, together with the calculation criteria adopted for each item of the financial statements concerned. The underlying estimates and assumptions are subject to periodic review by the Company, or otherwise whenever circumstances require it. The effects of any changes in estimates are recognised in the income statement in the period in which the adjustment is made.

The following are briefly described the areas that require more subjectivity on the part of the Directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data.

(a) Recoverability of goodwill

In accordance with IAS 36 — *Impairment of Assets*, goodwill is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may have been impaired. The impairment test, which may require directors to exercise an opinion in determining expected future cash flows, is performed by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount of the CGU is the greater of its *fair value*, net of costs of sale, and its value in use. For more information, see Note 14 — *Intangible assets*.

(b) Impairment of property, plant and equipment, intangible assets and leased assets

The Company's non-current assets (intangible assets - excluding goodwill -, tangible assets and rights of use) recognised in the financial statements are subject to impairment tests to determine whether impairment has occurred, which should be recognised through impairment, when indicators suggest difficulties in recovering their carrying amount, represented by the greater of the *fair value* net of selling costs and value in use. In particular, this measurement involves determining the recoverable amount of the Company's non-current assets, which is the greater of *fair value* and value in use. The assessment of the existence of such indicators requires the Directors to exercise subjective judgments based on the information available within the Company's entities and on the market, as well as on historical experience. In addition, if it is determined that a potential impairment loss may have occurred, the Company's entities proceed to determine it using appropriate valuation techniques. The correct identification of the indicators of potential

impairment of tangible and intangible assets, as well as the estimates for their determination, depend on factors that may change over time, influencing the assessments and estimates made by the Directors. The assumptions used by the Directors in this process represent the best estimate for the periods under review.

(c) Business combinations

The recognition of business combinations involves the recognition of the assets and liabilities of the acquired company at their respective *fair values* at the acquisition date, in addition to the possible recognition of goodwill. The determination of these values takes place through a complex estimation process.

(d) Lease liabilities

The determination of the leasing liability and the corresponding right of use is made by calculating the present value of future payments, also taking into account the reasonable certainty of the renewal of the leasing contract. Lease agreements may include renewal and termination options. In assessing whether it is reasonably certain to exercise a renewal or termination option, all relevant factors that create an economic incentive to exercise the option are considered. After the lease commencement date, the lease term is reassessed if a significant event or change occurs that affects the ability to exercise or terminate the renewal option. When the interest rate implied by a lease is not easily determined, the *Incremental Borrowing Rate* ("**IBR**") is used to determine the present value of the expected rents. The IBR is calculated taking into account the implicit Yield to Maturity of the bonds issued by the Group.

(e) Provision for doubtful accounts

The allowance for doubtful accounts reflects the estimated losses estimates for the loan portfolio. Provisions were made for expected losses on loans, estimated on the basis of past experience with reference to loans with similar credit risk, current and historical unpaid amounts, as well as careful monitoring of the quality of the loan portfolio and the current and expected conditions of the economy and the reference markets.

(f) Depreciation

The cost of property, plant and equipment and intangible assets is depreciated on a straight-line basis over the estimated useful life of the related assets. The useful economic life of these assets is determined by the Directors at the time they are acquired; It is based on historical experience for similar assets, market conditions and anticipations of future events that could impact the useful life of assets, including changes in technology. Therefore, the actual economic useful life may differ from the estimated useful life.

(g) Provisions for risks and charges

Determining future costs related to asset decommissioning and site rehabilitation is a complex process, requiring a careful assessment of liabilities arising from decommissioning and restoration obligations. These obligations, often not fully defined by legislative provisions, administrative regulations or contractual clauses, must

generally be fulfilled over a long-term time horizon.

Funds related to legal and tax disputes, as well as regulatory proceedings, result from a complex estimation process that also considers the likelihood of an unfavorable outcome.

(h) Employee benefits

Employee benefits, in particular Italian severance pay, are determined on the basis of actuarial assumptions, changes in which could have a significant effect on these provisions.

(i) Revenue

Revenue recognition is influenced by estimates of the amount of discounts, rebates, and returns to be recorded as a direct adjustment to revenues, as well as the methods used to determine the separate selling price of individual products or services and the determination of the contract term when renewal options are available.

(j) Income taxes

Income taxes, both current and deferred, are determined according to a prudent interpretation of the tax regulations in force. This process may require complex estimates in determining taxable income and the deductible and taxable temporary differences between book and tax values. In particular, deferred tax assets are recognised only to the extent that it is probable that future taxable income will be available against which it can be recovered. The assessment of the recoverability of deferred tax assets, both relating to tax losses carried forward and deductible temporary differences, is based on an estimate of future taxable income and prudent tax planning.

(k) Derivatives

The *fair value* of derivative instruments not traded in an active market is determined using a mark-to-model valuation technique. Where there are active markets for the components of such instruments, the *fair value* is determined on the basis of the relevant market prices for each component. Assessment techniques based on techniques that use significant observable inputs are classified as Level 2 assessments, while those that rely on techniques that use significant unobservable inputs are classified as Level 3 assessments. Estimates and hires are made with the support of company departments and, where appropriate, independent specialists, and are subject to periodic review. For more information, please refer to Note 22— *Derivative financial instruments*.

(l) Fair value estimates

Fair value is defined as the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in an ordinary transaction between market participants on the measurement date. IFRS 13 establishes a three-level hierarchy for determining *fair value*, which prioritizes the inputs used in the measurement. The

hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Levels include:

- Level 1, defined by observable inputs such as quoted (unadjusted) prices for identical instruments in active markets;
- level 2, defined by inputs other than quoted prices in active markets that are directly or indirectly observable as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in non-active markets;
- Level 3, defined by unobservable inputs for which little or no market data exists, necessitating the entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant unobservable drivers of value.

In some circumstances, the inputs used to measure *fair value* may fall into different levels of the *fair value* hierarchy. In such cases, the *fair value* measurement is classified entirely at the lowest level of the *fair value* hierarchy to which the input significant to the measurement falls. For more information, see Note 27 — *Fair value measurement*.

5. Business combinations

The Business Combination described in the Introduction to this Annual Report has been accounted for as a corporate reorganization in accordance with the guidelines set out in OPI 2 - *Accounting Treatment of Mergers in the Financial Statements*. In FiberCop's Financial Statements, the assets and liabilities of the merged entity have been recognized on the basis of the application of the principle of going concern, with the costs and revenues of the merged entity included as of July 1, 2024.

Therefore, following the Reverse Merger of Optics BidCo into FiberCop, FiberCop's Financial Statements reflect:

- the assets and liabilities of Optics BidCo at their carrying amount prior to the Reverse Merger, including the euro and US dollar ("USD") denominated notes issued by TIM and exchanged for the issuance of euro and USD denominated notes under the Business Combination; and
- FiberCop's assets and liabilities measured using the acquisition method, in accordance with the provisions of IFRS 3, which applies the fair value concepts defined in IFRS 13 and requires the recognition of acquired assets and liabilities assumed at their fair value at the acquisition date of July 1, 2024 (subject to certain exceptions).

In the financial statements for the year ended 31 December 2024, the values deriving from the business combination were provisionally recorded, pending the completion of the analyses necessary for the identification and valuation of the assets acquired and liabilities assumed.

The finalisation of the *Purchase Price Allocation* and the consequent definitive determination of the *fair values*

FiberCop S.p.A.

of the assets acquired and the liabilities assumed did not entail material changes to the values previously recognised in the financial statements for the year ended 31 December 2024. The value of goodwill as at 31 December 2025 amounted to 6,027,592 thousand Euros, an increase of 15,513 thousand euros compared to 31 December 2024 as a result of the definitive recognition of the *fair value* of tangible assets.

Details of the net assets acquired and goodwill are presented below.

<i>(in thousands of €)</i>	As of July, 1st 2024
Cash and cash equivalents	104,943
Trade receivables	782,716
Inventories	44,322
Rights of use assets	2,855,716
Intangible assets	6,167,895
Property, plant and equipment assets	9,658,371
Current and non-current financial receivables	190,749
Other current and non-current assets	319,630
Other current and non-current liabilities	(1,714,523)
Current and non-current debt	(9,225,953)
Trade payables	(1,309,455)
Employee benefits	(297,533)
Current and non-current provisions	(687,613)
Subsidiary acquired as a view to resale	4,722
Deferred tax liabilities	(1,415,452)
Net identifiable assets acquired	5,478,545
Total consideration	11,506,137
Goodwill	6,027,592

The *fair value* estimates above are definitive.

A contingent consideration component of up to approximately €3 billion ("**Earn-Out**") was agreed as part of the transaction. The Earn-Out is nil at and for the year ended December 31, 2025, as deemed not probable by management.

As mentioned in *the Significant events that occurred during the year* section of this Separate Annual Financial Statement, the Board meeting of 24 June 2025 approved a resolution to complete a of Optics PrepCo S.r.l. ("**Opctis PrepCo**"), a company under the control of the ultimate parent company Optics HoldCo, into FiberCop S.p.A. (the "**Merger**"). The Merger had retroactive accounting and tax effect to 1 January 2025 and legal effect from 31 October 2025.

6. Revenues

The following table provides a breakdown for revenues:

<i>(in thousands of €)</i>	For the year ended December 31	
	2025	2024
Revenues from services	3,572,468	2,465,981
Revenue from sale of goods	203,014	111,219
Total revenues	3,775,482	2,577,200

Revenues derive mainly from the sales of services and goods to *wholesale* customers, as part of the Company's ordinary business activities. In particular, the Company generates revenues from TIM, Other **Licensed Operators** ("**OLOs**") and public administration, which can be detailed as follows:

- Access and connectivity services for pay-per-use approach on access services to the proprietary network, both through traditional and advanced connectivity, including delivery and activation services, as well as network repair and maintenance;
- industrial co-location services in relation to suitable spaces within technical offices, suitable for hosting the network elements and equipment of wholesale customers, network engineering, energy revenues and delivery services;
- Sale of goods refers to the sale of IRU on the secondary network, network scraps, other minor equipment, and sale of land or portions thereof previously leased to telecommunications sector operators.

For additional information relating to the revenue recognition of the Company, please refer to Note 3 - *Accounting principles and estimates*.

Information on major customers

For the years ended December 31, 2025 and 2024, the Company's customers that accounted for 10% or more of total revenues were as follows:

<i>(in %)</i>	For the year ended December 31	
	2025	2024
Client A	52%	61%
Client B	16%	12%
Total	68%	73%

7. Costs of goods and services

The following table provides a breakdown of costs of goods and services:

<i>(in thousands of €)</i>	For the year ended December 31	
	2025	2024
Electricity and other utilities	(366,066)	(197,069)
Operation and Maintenance	(121,586)	(121,290)
IT Services	(102,692)	(62,836)
Access cost	(85,797)	(36,320)
External professional services	(37,223)	(17,409)
Insurance	(17,363)	(11,483)
Purchase of Raw materials and goods	(27,186)	(7,953)
Other service costs	(89,761)	(46,762)
Total costs for raw materials and services	(847,674)	(501,122)

The item "Other costs for services" mainly includes costs for transport, motor vehicle fees, accommodation and food costs for company employees...

8. Personnel costs

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Wages and salaries	(757,819)	(376,175)
Social contributions, pension plans and severance pay	(284,255)	(140,607)
Employee Benefits	(4,964)	(2,753)
Other personnel costs	(20,876)	(10,255)
Total	(1,067,914)	(529,790)
Capitalized labor costs	280,632	117,170
Total personnel costs	(787,282)	(412,620)

Personnel costs include charges relating to wages and salaries, social and pension contributions, severance pay and other personnel costs.

"Other personnel costs" consist mainly of administrative costs for staff and contributions to the funds for health care for employees.

The average number of employees for the years ended 31 December 2025 and 2024, broken down by category, can be broken down as follows:

<i>(units)</i>	For the year ended 31 December	
	2025	2024
Executives	144	158
Middle managers	1,201	1,164
White and blue collars	16,931	18,466
Total employees	18,276	19,788

9. Other operating (expenses)/income

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Public subsidies	56,011	18,751
Indirect taxes	(48,723)	(26,231)
Provisions for risks and charges	(24,185)	(11,474)
Contractual penalties	(13,100)	(8,555)
Contributions for telecommunications activities	(4,611)	(3,329)
Others	17,656	20,976
Total other (costs)/revenues	(16,592)	(9,862)

Other (costs)/revenues mainly include indirect tax charges, provisions for legal and tax risks and contributions for telecommunications activities.

The line "Others" mainly includes income from compensation for damage caused by third parties, partially offset by other miscellaneous charges.

10. Restructuring and non-recurring items

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Provision for employees	(29,362)	(233,913)
Costs related to the Business Combination	(29,336)	(34,620)
Separation costs	(45,569)	(54,399)
Total	(104,267)	(322,932)

The item "Provision for employees" mainly relate to the *face-to-face* incentives made with certain employees during the 2025 financial year.

The item "Costs related to the Business Combination" includes a provision relating to the probable costs associated with the termination of commercial agreements transferred as part of the Business Combination.

The item "Separation costs" mainly refers to costs relating to external services incurred in relation to the completion of the separation procedures from TIM.

11. Depreciation and amortization

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Amortization and depreciation of tangible assets	(958,304)	(648,519)
Amortization of rights of use	(402,197)	(202,298)
Amortization of intangible assets	(261,555)	(116,732)
Total depreciation and amortization	(1,622,056)	(967,548)

Amortisations, amounting to €1,617 million, reflect the higher value attributed to certain assets and the recognition of specific intangible assets as a result of the Business Combination, showing an increase of €468 million compared to the first half of 2024 (i.e. before Business combination), of which (i) €81 million related to customer relationship, (ii) €34 million relating to the amortisation of intangibles contributed as part of the Business Combination, (iii) €160 million relating to the amortisation of tangible fixed assets and (iv) €193 million relating to the amortisation of rights of use assets. The residual increase, equal to €177 million, refers to investments for the period.

The depreciation of tangible assets recognized during the year amounts to €5 million.

12. Financial income, financial expenses and exchange gains/(losses)

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Financial income		
Interest income	49,418	24,356
Other financial income	2,507	2,760
Total financial income	51,925	27,116
Financial charges		
Interest expense on bank loans and related hedges	(322,703)	(187,242)
Interest expense on bonds and related hedges	(356,399)	(156,036)
Interest expense on lease liabilities	(86,369)	(46,350)
Commitment fee	(16,291)	(7,853)
Fees on collateral and other interest expense	(14,124)	(121,948)
Discount charges	(42,390)	(24,371)
Total financial charges	(838,275)	(543,798)
Exchange gains/(losses)	177	(4,004)
Total net financial expenses	(786,173)	(520,686)

The following table shows the details of hedging transactions:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Release of the cash flow hedge reserve - cross currency interest rate swaps	20,802	13,864
Release of the cash flow hedge reserve - Interest rate swaps	(19,427)	13,273
Net gains/(losses) on interest rate swaps	(65)	(4,095)
Hedging transactions	1,311	23,042

The following table shows the details of net income from interest rate swaps:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Adjustment to the initial value of the hedged item	(3,606)	(4,095)
Net income/(expense) on interest rate swaps	(3,606)	(4,095)

The following table shows the breakdown of foreign exchange gains/(losses):

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Release of cash flow hedge reserve - Cross currency interest rate swaps	(222,957)	61,042
Change in nominal value of USD Bond	222,957	160
Exchange rate gains	177	(65,206)
Exchange rate gains	177	(4,004)

Foreign exchange losses mainly include the effect of the conversion of U.S. dollar ("USD") denominated bonds into Euro at the balance sheet date and the release of the cash flow hedge buffer related to foreign exchange interest rate swaps.

13. Income taxes

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Current taxes	17,203	18,273
Deferred tax assets	(210,913)	13,252
Taxes relating to previous years	18,724	119
Total income taxes	(174,986)	31,644

In 2025, current taxes include taxes relating to previous years for 18,724 thousand Euros. These higher taxes, related to the extension of the useful lives of the assets at the time of *purchase price allocation*, are fully offset by the release of the related deferred tax liabilities recorded in the financial statements as at 31 December 2024.

Deferred tax assets recognised refer to:

- temporary differences relating to property, plant and equipment, provisions and provisions, as well as other deductible temporary differences that the Company expects to be offset in subsequent periods;
- the tax loss carried forward generated during the year, amounting to a total of 403,009 thousand Euros

Deferred tax assets were recognised in the financial statements only if they were deemed recoverable.

The following table shows a reconciliation between actual income taxes and theoretical income taxes, calculated on the basis of the applicable corporate tax rate in force in Italy, equal to 24.0% for the year ended December 31, 2025:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
(Loss)/Profit before tax	(381,301)	(158,910)
Theoretical tax rate (%)	24%	24%
Theoretical taxes	91,512	38,138
Tax effect on:		
Unrecognised deferred tax assets	-	(23,244)
Permanent differences and other differences	105,336	(19,200)
Taxes relating to previous years	(12,207)	(119)
Effective taxes, excluding IRAP	184,641	(4,425)
Effective tax rate, excluding IRAP (%)	(48.4)%	2,8%
IRAP current	(18,226)	(18,273)
Permanent differences and other IRAP differences	15,088	(8,966)
Taxes relating to previous years IRAP	(6,517)	-
Effective taxes	174,986	(31,664)
Effective tax rate (%)	(45.89)%	19,93%

To facilitate the understanding of the tax rate reconciliation reported above, income taxes are presented net of IRAP, which is based on an income measure defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expenses, the cost of fixed-term employees, credit losses and interest included in lease payments. The applicable IRAP rate was 4.82% for the year ended 31 December 2025.

Deferred tax assets and deferred tax liabilities

Deferred tax assets reflect the net tax effect of temporary differences between the carrying amount and taxable amount of assets and liabilities. The recognition of deferred tax assets has been adjusted appropriately to take into account the concrete possibility of realisation. The decision to recognise deferred tax assets is taken by assessing whether the conditions for their future recoverability are met, based on the most recent forecasts contained in the budgets and business plans. Deferred tax assets and liabilities are offset, as they are applied by the same tax authority and only when there is a legal right to offsetting and settlement of the net balance.

FiberCop S.p.A.

Net deferred tax assets and related changes can be broken down as follows:

<i>(in thousands of €)</i>	Balance as at 31 December 2024	Recognised in the Income Statement	Recognised in equity	Balance as at 31 December 2025
Deferred tax assets deriving from:				
Provisions for risks and charges	190,482	(40,131)	-	150,351
DTA Depreciation	208,804	28,830	-	237,634
Derivative financial instruments	27,944	16,120	(25,840)	18,224
Provision for doubtful accounts	6,492	(179)	-	6,313
Employee benefits	2,506	566	(2,303)	769
Carry-forward losses	-	96,722	-	96,722
Other deductible differences	15,660	641	-	16,301
Total deferred tax assets	451,889	102,568	(28,143)	526,314
Deferred tax liabilities deriving from:				
DTL depreciation	(1,745,395)	39,624	-	(1,705,771)
Leasing	(88,790)	68,721	-	(20,069)
Other taxable differences	(1,725)	-	-	(1,725)
Total deferred tax liabilities	(1,835,910)	108,345	-	(1,727,565)
Total net deferred tax assets	(1,384,021)	210,913	(28,143)	(1,201,251)

14. Intangible assets

The following table shows the details of the item in question

<i>(in thousands of €)</i>	Goodwill	Customer relationship	Licensing, Trademarks & Patents	Intangible assets under construction	Total
Balance as of January 1, 2024	4,670,277	-	8,608	1,252	4,680,137
<i>Of which:</i>					-
<i>Historical Cost</i>	<i>4,670,277</i>	-	<i>21,765</i>	<i>1,252</i>	<i>4,693,294</i>
<i>Accumulated depreciation</i>	-	-	<i>(13,157)</i>	-	<i>(13,157)</i>
Business Combination	1,341,802	5,972,201	141,352	45,783	7,501,138
Additions	-	-	19,388	40,792	60,180
Divestments	-	-	-	-	-
Amortization	-	(80,706)	(36,026)	-	(116,732)
Reclassifications	-	-	15,978	(15,978)	-
Balance as of 31 December 2024	6,012,079	5,891,495	149,300	71,849	12,124,723
<i>Of which:</i>					
<i>Historical Cost</i>	<i>6,012,079</i>	<i>5,972,201</i>	<i>581,722</i>	<i>71,849</i>	<i>12,637,851</i>
<i>Accumulated depreciation</i>	-	<i>(80,706)</i>	<i>(432,422)</i>	-	<i>(513,128)</i>
Additions	-	-	120,697	110,259	230,956
Divestments	-	-	-	(492)	(492)
Amortization	-	(161,411)	(100,144)	-	(261,555)
Reclassification	-	-	55,612	(55,612)	-
Other movements	15,513	-	-	(511)	15,002
Balance as of 31 December 2025	6,027,592	5,730,084	225,465	125,493	12,108,634
<i>Of which:</i>					
<i>Historical Cost</i>	<i>6,027,592</i>	<i>5,972,201</i>	<i>729,691</i>	<i>125,493</i>	<i>12,854,977</i>
<i>Accumulated depreciation</i>	-	<i>(242,117)</i>	<i>(504,226)</i>	-	<i>(746,343)</i>

The *customer relationship* was acquired as part of the Business Combination and was recognised at *fair value* as at 1 July 2024 and subsequently amortised on a straight-line basis, based on the timing of the cash flows envisaged by the contracts over their estimated useful life. For more information, please refer to Note 5

— Business combinations.

In accordance with IAS 36, the Company conducts an impairment test for goodwill annually, or more frequently if events or changes in circumstances indicate the possibility that it has been impaired.

For 2025, the recoverable amount of the CGU was determined on the basis of the calculation of the value in use, which requires the use of assumptions.

The recoverable amount of goodwill recognised is estimated, in accordance with IAS 36, using the *unlevered version of the discounted cash flow model*, in which the value in use of an asset is calculated on the basis of estimated future cash flows, discounted at an appropriate rate. Cash flow projections beyond the explicit period are extrapolated according to the *perpetuity growth method* to determine terminal value; the growth rates used ("**g rate**") are in line with those of the markets in which the Group operates.

CGU relating to access services activities

For the purposes of the impairment test, the Company used the projections of future cash flows derived from the most recent business plan approved by the Board of Directors and updated to reflect (i) the actual results for 2025, (ii) the assumptions included in the 2026 budget, approved by the Board of Directors in December 2025, and (iii) the phasing related to the collection of PNRR grants. The explicit forecast period, consistent with the infrastructural nature of the CGU, was determined through 2040, while the terminal value was estimated by considering an appropriate level of long-term capital expenditure and a long-term growth rate applied to cash flows beyond the explicit forecast period, determined in line with market trends.

The expected future cash flows have been discounted using a post-tax *Weighted Average Cost of Capital* ("**WACC**") of 6.33%, which:

- was estimated using the Capital Asset Pricing Model ("**CAPM**"), one of the generally accepted application criteria referred to in IAS 36;
- reflects current market estimates of the time value of money and the specific risks associated with the asset groups;
- was calculated using comparative market parameters to estimate the "Beta coefficient" and the weighting coefficient of the equity and debt components.

The impairment test showed that the recoverable amount of the CGU exceeds its carrying amount. Therefore, no impairment losses were recognised in the year ended 31 December 2025.

The results were subject to sensitivity analysis with respect to those assumptions for which changes could reasonably result in a significant variation in the outcome of the test. The analysis showed that the recoverable amount would be equal to the carrying amount in the event of:

- an increase in the WACC of 0.82% (to 7.15%); or
- a terminal value growth rate of – 0.84%; or
- a reduction in gross operating margin of 11%.

15. Property, plant and equipment

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Fixed assets under construction	Total
Balance as of January 1, 2024	-	4,556,171	-	47	250,264	4,806,482
<i>of which:</i>						
<i>Historical Cost</i>	-	16,953,419	-	266	250,264	17,203,949
<i>Accumulated depreciation</i>	-	(12,394,233)	-	(219)	-	(12,394,452)
<i>Provision for impairment</i>	-	(3,015)	-	-	-	(3,015)
Business Combination	446,822	3,539,152	16,655	31,676	264,904	4,299,209
Additions	695	615,322	2,727	580	1,311,116	1,930,440
Divestments	(55)	(6,176)	(6)	-	-	(6,237)
Amortization	(9,246)	(628,759)	(3,474)	(7,040)	-	(648,519)
Reclassifications	310	111,841	-	1,193	(113,344)	-
Other movements	-	230,214	-	-	2,946	233,160
Balance as of 31 December 2024	438,526	8,417,765	15,902	26,456	1,715,886	10,614,535
<i>of which:</i>						
<i>Historical Cost</i>	1,549,619	55,255,407	311,038	401,432	1,715,886	59,233,382
<i>Accumulated depreciation</i>	(1,111,093)	(46,837,642)	(295,136)	(374,976)	-	(48,618,847)
Additions	25,930	2,104,521	1,944	1,661	202,591	2,336,647
Divestments	(695)	(16,998)	(5)	-	-	(17,698)
Amortization	(21,487)	(916,888)	(5,977)	(9,321)	-	(953,673)
Depreciation	-	-	-	-	(4,631)	(4,631)
Reclassifications	3,937	536,256	265	974	(541,432)	-
Other movements	220,146	(833)	-	-	(25,117)	194,196
Balance as of 31 December 2025	666,357	10,123,823	12,129	19,770	1,347,297	12,169,376
<i>of which:</i>						
<i>Historical Cost</i>	1,899,316	57,606,688	312,957	402,636	1,347,297	61,568,894
<i>Accumulated depreciation</i>	(1,232,959)	(47,482,865)	(300,828)	(382,866)	-	(49,399,518)

Investments in the period amounted to €2,337 million and mainly concerned the construction of the fiber network, both in relation to the NRRP and the autonomous plan, and extraordinary maintenance.

The item "other movements" includes the transfer of certain properties previously classified as rights of use because it was not possible to carry out the notarial deed at the time of the transfer by TIM S.p.A. due to ongoing cadastral updates. The item also includes €66 million relating to the exercise of the right of pre-emption on three previously leased properties. This amount is considered among the investments of the period.

16. Rights of use assets

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Land and buildings	Plant and machinery	Other tangible assets	Fixed assets under construction	Total
Balance as of January 1, 2024	-	222,866	233	-	223,099
<i>of which:</i>					
<i>Historical Cost</i>	-	<i>286,379</i>	<i>463</i>	-	<i>286,842</i>
<i>Accumulated depreciation</i>	-	<i>(63,513)</i>	<i>(230)</i>	-	<i>(63,743)</i>
Business Combination	2,519,336	64,037	44,166	10,294	2,637,833
Additions	43,674	6,739	2,068	9,819	62,300
Divestments	(31,550)	-	-	-	(31,550)
Depreciation	(168,520)	(22,153)	(11,624)	-	(202,297)
Other movements	(14)	-	(7)	-	(21)
Balance as of 31 December 2024	2,362,926	271,489	34,836	20,113	2,689,364
<i>of which:</i>					
<i>Historical Cost</i>	<i>3,060,936</i>	<i>480,497</i>	<i>46,404</i>	<i>20,113</i>	<i>3,607,950</i>
<i>Accumulated depreciation</i>	<i>(698,010)</i>	<i>(209,008)</i>	<i>(11,568)</i>	-	<i>(918,586)</i>
Additions	30,212	43,052	-	5,599	78,863
Leasing additions	89,274	-	69,658	-	158,932
Divestments	(15,578)	(2)	-	-	(15,579)
Depreciation	(346,044)	(28,315)	(27,838)	-	(402,197)
Reclassifications	19,123	6,555	14,219	(39,897)	-
Other movements	(220,146)	582	858	28,781	(189,926)
Balance as of 31 December 2025	1,919,767	293,361	91,733	14,596	2,319,458
<i>of which:</i>					
<i>Historical Cost</i>	<i>2,858,225</i>	<i>528,547</i>	<i>110,489</i>	<i>14,596</i>	<i>3,511,857</i>
<i>Accumulated depreciation</i>	<i>(938,458)</i>	<i>(235,185)</i>	<i>(18,756)</i>	-	<i>(1,192,399)</i>

The rights of use on land and buildings relate to the leases of buildings used both for office and industrial use (central). The rights of use relating to plant and machinery mainly consist of IRU contracts with other operators on portions of the network. The rights of use relating to other activities include the company fleet and the data center space component.

17. Current and non-current financial assets

The following table provides details of current and non-current financial assets. For more information, see *Note 27 – Fair value measurement*.

<i>(in thousands of €)</i>	As of December 31, 2025			As of December 31, 2024		
	Non-current financial assets	Current financial assets	Total financial assets	Non-current financial assets	Current financial assets	Total financial assets
Financial receivables for IRU	-	151,779	151,779	30,347	113,024	143,371
Loans to employees	9,333	2,886	12,219	11,031	1,971	13,002
Guarantee deposits	-	-	-	91,123	-	91,123
Other financial receivables	-	18,883	18,883	-	28,246	28,246
Total	9,333	173,548	182,881	132,501	143,241	275,742

Current and non-current financial assets mainly refer to finance leases for the transfer of IRU on infrastructure and fiber in the secondary network.

Other financial receivables mainly refer to the loan granted to Telenergia S.r.L.

The decrease in the item "escrow deposits" compared to 31 December 2024, down by 91,123 thousand Euros, is attributable to the taking out of bank guarantees, instead of the restricted current account, in favor of Infratel on the advances of the NRRP contributions of the "Italia 1 Giga" Plans transferred from TIM to FiberCop as part of the Business Combination.

The following table shows the changes for current and non-current financial assets:

<i>(in thousands of €)</i>	Financial receivables for IRU	Escrow	Loans to employees	Other financial receivables	Total
Balance as of January 1, 2024	150,278	-	100	219	150,597
Additions	57,285	91,123	-	80,000	228,408
Business Combination	42,168	-	15,049	814	58,031
Decreases	(111,368)	-	(2,866)	(60,000)	(174,234)
Other movements	5,008	-	719	7,213	12,940
Balance as of 31 December 2024	143,371	91,123	13,002	28,246	275,742
Additions	186,430	-	1,950	-	188,380
Decreases	(178,555)	(91,123)	(3,470)	(11,547)	(284,695)
Other movements	533	-	737	2,184	3,454
Balance as of 31 December 2025	151,779	-	12,219	18,883	182,881
<i>- of which current</i>	<i>151,779</i>	-	<i>2,886</i>	<i>18,883</i>	<i>173,548</i>
<i>- of which non-current</i>	-	-	<i>9,333</i>	-	<i>9,333</i>

For the year ended 31 December 2025, "Other movements" mainly include ISTAT revaluations applied to financial receivables relating to IRUs.

18. Trade receivables

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31	
	2025	2024
Trade receivables	1,218,081	921,824
Provision for doubtful accounts	(41,419)	(36,025)
Total trade receivables	1,176,662	885,799

The following table shows the details of the provision for doubtful accounts relating to trade receivables:

<i>(in thousands of €)</i>	Provision for doubtful accounts
Balance as of 31 December 2024	(36,025)
Increments	(5,533)
Cancellation of Credit	139
Balance as of 31 December 2025	(41,419)

The Company applies the simplified approach provided for by IFRS 9, systematically measuring the allowance for doubtful accounts in an amount equal to the expected losses over the entire duration of the same. Expected losses are estimated using a write-down matrix, which takes into account the creditworthiness of the borrower, historical experience with credit defaults, as well as an analysis of the counterparty's current financial situation. That analysis is further adjusted to include factors specific to the specific counterparties, the conditions of the industry in which they operate and an assessment of both the current conditions and the outlook for the same at the reporting date. For more information, see Note 28 — *Qualitative and quantitative information on financial risks*.

19. Other current and non-current assets

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31, 2025			As of December 31, 2024		
	Other current activities	Other non-current assets	Total	Other current activities	Other non-current assets	Total
Credits from the NRRP	410,000	386,435	796,435	-	207,543	207,543
VAT and other tax credits	32,406	-	32,406	107,101	-	107,101
Advances to suppliers	18,637	-	18,637	87,200	-	87,200
Deferred income	22,486	8,240	30,726	20,636	10,332	30,968
Work in progress	23,101	-	23,101	21,432	-	21,432
Other receivables	25,580	-	25,580	10,797	-	10,797
Total	532,210	394,675	926,885	247,166	217,875	465,041

The credits from the NRRP relate to the share of the contribution accrued for the Italy 1G and 5G Backhauling projects. The recognition of these contributions in the income statement takes place at the time of entry into operation of the plants to which the contributions refer.

20. Equity

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31	
	2025	2024
Share capital	17,836	17,836
Share premium reserve	8,294,724	8,294,724
Legal reserve	3,567	2,000
Actuarial gains/(losses) reserve from defined benefit plans	(636)	(7,913)
Cash flow hedge reserve	(70,221)	(152,048)
Other reserves	(105,710)	(105,720)
(Losses)/Retained earnings	827,224	1,042,779
(Loss)/Profit for the year	(206,315)	(190,554)
Total Shareholders' Equity	8,760,469	8,901,104

Share capital

As at December 31, 2025, the Company's share capital, fully paid-up, amounted to 17,836 thousand Euros, consisting of 178,359 shares, with no par value, unchanged compared to 31 December 2024.

The Company's shares are subject to pledge as part of the collateral package to support FiberCop's bank loans and bonds. These guarantees also include the commitment to assign to FiberCop any receivables deriving from intra-group loans granted by Optics HoldCo.

Cash flow hedge reserve

The cash flow hedge reserve reflects the cumulative gains and losses arising from hedging instruments designed to manage exposure to fluctuations in cash flows linked to interest rates, foreign currencies and *commodity* prices. At the balance sheet date, the cash flow hedge reserve shows a negative balance of 70,221 thousand Euros (net of the positive tax impact of 22,175 thousand Euros) showing a net loss resulting from the valuation of those hedging instruments. This reserve is attributable to (i) the portion of effectiveness accrued on hedging transactions, negative for 65,902 thousand Euros (net of the positive tax impact of 20,811 thousand Euros), (ii) the *basis spread* component implicit in *cross-currency interest rate swaps*, positive for 12,667 thousand Euros (net of the negative tax impact of 4,000 thousand Euros) and (iii) the fair value adjustment component of Commodities swap negative for 16,985 thousand Euros, net of the tax impact.

Other reserves

As at December 31, 2025 and 2024, the other reserves mainly include negative reserves relating to extraordinary transactions conducted in previous years.

The following table shows the details of the individual items of equity, broken down according to their nature, possibility of use and distributability during the year.

Nature / Description	As of December 31, 2025	Usage possibility	Amount available for distribution
<i>(in thousands of €)</i>			
Share capital	17,836		
Share premium reserve (*)	8,294,724	A,B,C	8,294,724
Legal reserve	3,567	B	
Reserve for remeasurement of defined benefit plans	(636)		
Cash flow hedge reserve	(70,221)		
Retained earnings	827,224	A,B,C	650,658
Other reserves	(105,710)		-
Total	8,966,784		8,945,382

Legend:

A = for capital increase

B = for loss coverage

C = for distribution to shareholders

() The share premium reserve cannot be distributed to shareholders until the legal reserve has reached one fifth of the share capital, in accordance with the Article 2431 of the Italian Civil Code.*

21. Current and non-current financial debt

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Bonds	Bank loans	Lease liabilities	Other financial liabilities	Total
<i>Balance as of January 1, 2025</i>	5,762,795	4,562,129	1,962,982	-	12,287,906
<i>- of which current</i>	112,021	2,799	293,676	-	408,496
<i>- of which non-current</i>	5,650,774	4,559,330	1,669,306	-	11,879,410
Increase	2,800,000	830,000	240,718	799	3,871,516
Refunds	(375,000)	-	(372,687)	-	(747,687)
Exchange rate difference	(222,957)	-	-	-	(222,957)
Other movements	47,835	47,963	(17,033)	-	78,766
Balance as of 31 December 2025	8,012,673	5,440,092	1,813,980	799	15,267,544
<i>- of which current</i>	500,590	5,414	362,557	799	869,360
<i>- of which non-current</i>	7,512,083	5,434,678	1,451,423	-	14,398,184

The increases recorded in the period refer to the issue of the new bond completed in June 2025 for 2,800,000 thousand Euros and to the *upsizes* of the Term Loan Facility made during the year for a total of 830,000 thousand Euros. In October 2025, the Company carried out the early repayment of the bond loan originally maturing in January 2026, for a total amount of 375 million euros.

"Other movements" reflect the impact of adjustments for amortised cost, accrued interest and other non-cash items. All data is presented before the effects of hedging transactions.

For further information, please refer to the following sections on bonds and bank loans held by the Company.

The following table shows current and non-current financial liabilities by maturity:

As of December 31, 2025 <i>(in thousands of €)</i>	Within 1 year	1-5 years	Over 5 years	Total
Bank loans	5,414	5,434,678	-	5,440,092
Bonds	500,590	3,582,630	3,929,454	8,012,673
Lease liabilities	362,557	921,889	529,535	1,813,980
Other financial liabilities	799	-	-	799
Total liabilities	869,360	9,939,195	4,458,989	15,267,544

FiberCop S.p.A.

Bonds

The following table shows the details of the bonds as at 31 December 2025:

Description	Currency	Nominal amount (in foreign currency)	Nominal amount (in EUR)	Interest rate (in bps)	Expiration Date	As of December 31, 2025	Of which current:
EUR May 2026	€	322,003	322,003	362	25-mag-26	327,683	327,683
EUR Oct 2027	€	507,715	507,715	237	12-ott-27	490,555	2,643
EUR Feb 2028	€	625,000	625,000	687	15-feb-28	664,713	16,113
EUR Jul 2028	€	750,000	750,000	787	31-Jul-28	823,933	24,556
EUR Jan 2029	€	500,820	500,820	162	18-gen-29	463,043	7,737
EUR Jan 2033	€	359,142	359,142	775	24-gen-33	439,232	26,003
EUR Mar 2055	€	230,000	230,000	525	17-mar-55	230,894	9,561
EUR Jun 2030	€	1,200,000	1,200,000	475	30-Jun-30	1,220,637	29,203
EUR Jun 2031	€	700,000	700,000	Euribor 3M+ 300	30-Jun-31	702,441	7,525
EUR Jun 2032	€	900,000	900,000	513	30-Jun-32	916,995	23,631
USD Nov 2033	\$	500,006	425,537	637	15-nov-33	420,555	3,391
USD Sep 2034	\$	500,001	425,533	600	30-set-34	415,925	6,383
USD Jul 2036	\$	500,000	425,532	720	18-Jul-36	443,733	13,787
USD Jun 2038	\$	500,004	425,535	772	04-Jun-38	452,335	2,373
Total			7,796,817			8,012,673	500,590

All bonds are bullet, so the principal is repaid in full at maturity. The weighted average remaining maturity of the bonds is 6 years, with an average interest rate of 554 basis points for fixed-coupon loans. All bonds are listed on the official list of the Luxembourg Stock Exchange ("**Euro MTF Market**") and are backed by guarantees.

On June 27, 2025, the Company finalized the issuance of three new bonds for a total nominal amount of €2.8 billion, divided into: (i) €1,200,000,000 of fixed-rate senior secured notes equal to 4.750% maturing in 2030; (ii) €900,000,000 of senior secured fixed-rate notes equal to 5.125% maturing in 2032 and (iii) €700,000,000 of senior secured floating rate notes maturing in 2031 and interest calculated on the 3-month EURIBOR rate increased by 3.00% per annum.

These sources will be used to feed the liquidity of the Company instrumental to its business activities including investments and the possible refinancing of existing debt.

The Company mitigates the risk of exchange rate fluctuations on 100% of the bonds denominated in US Dollars using cross-currency interest rate swaps and interest rate fluctuations of 100% of floating rate bonds using interest rate swaps. For more information, please refer to the *Note 22 — Derivative financial instruments*.

Bank loans

The item in question, for the year ended 31 December 2025, can be broken down as follows:

Description	Currency	Nominal amount (in € thousands)	Interest rate (in bps)	Expiration Date	As of December 31, 2025*	Of which current:
Term Loan Facility	€	5,372,095	Euribor 3M+ (225-350)	27 June 2029	5,291,584	5,380
Term Loan Facility	€	150,000	Euribor 3M+ (225-350)	May 28, 2030	148,508	34
Total		5,522,095			5,440,092	5,414

Description	Currency	Nominal amount (in € thousands)	Interest rate (in bps)	Expiration Date	As of December 2024*	Of which current:
Term Loan Facility	€	4,692,095	Euribor 3M+ (225-350)	27 June 2029	4,562,129	2,799
Total		4,692,095			4,562,129	2,799

*Such amount is also affected by the undrawn revolving credit facility (RCF) outstanding as of 31 December.

Bank loans, as at 31 December 2025, include the Term Loan Facility pursuant to a Senior Facilities Agreement, signed by Optics BidCo in June 2024 for a nominal amount of 4,692,095 thousand Euros, increased in 2025 by a nominal amount of 830 thousand Euros against three *upsizes* that took place in January, May and August respectively for a nominal amount of 380,000 thousand Euros, 350,000 thousand Euros and 100,000 thousand Euros.

The Term Loan Facility is bullet, i.e. the principal is repaid in full at maturity, and accrues interest on the basis of the 3-month Euribor, to which a spread is added that changes as follows: (i) Year 1: 225 bps, (ii) Year 2: 225 bps, (iii) Year 3: 275 bps, (iv) Year 4: 300 bps, and (v) Year 5: 350 bps.

The Company mitigates the risk of interest rate fluctuations on loans with variable interest rates by using *interest rate swaps*, the use of which is solely to hedge the risks associated with cash flows and not for speculative purposes. As of December 31, 2025, the coverage ratio is equal to a substantial portion of the exposure. For more information, please refer to *Note 22— Derivative financial instruments*.

Debt covenants

The Company's bank loans are subject to a specific financial covenant, which provides for compliance with a ratio between Net Financial Debt AL and Organic EBITDA AL (both calculated net of the effects deriving from the application of IFRS 16) not exceeding 9x for each 12-month period ending June 30 and December 31. The loan agreements also include negative pledge, *pari passu*, *cross-default* and change of control clauses. The maximum ratio may be raised up to 10x in the event that the Company obtains a long-term rating of at least BBB- (or equivalent) from at least two leading *rating* agencies. Any failure to comply with the covenants could result in the obligation to repay in

full the outstanding amounts, unless corrective measures are taken by the Company – for example through additional capital contributions by shareholders or third parties – within 20 working days of the expiry of the deadline for notification of the default. As of December 31, 2025, the requirements of the covenants have been met.

Lease liabilities

The Company recognizes lease liabilities in relation to rights of use in accordance with IFRS 16 - *Leases*. As at December 31, 2025 and December 31, 2024, lease liabilities amounted to 1,813,980 thousand Euros and 1,962,982 thousand Euros, respectively.

Net financial debt

The following table shows the details of the Company's Net Financial Debt:

<i>(in thousands of €)</i>	As of December 31	
	2025	2024
Cash and cash equivalents	2,590,940	996,960
Current financial assets	173,548	143,241
Cash and cash equivalents and current financial assets	2,764,488	1,140,201
Current financial liabilities	(869,360)	(408,496)
Non-current financial liabilities	(14,398,184)	(11,879,410)
Total financial liabilities	(15,267,544)	(12,287,906)
Net financial debt	(12,503,056)	(11,147,705)

22. Derivative financial instruments

The Company enters into derivative contracts as part of its risk management activities, mainly in order to hedge cash flows exposed to changes in variable interest rates and foreign exchange risks related to debt. These instruments are used exclusively for hedging purposes, in accordance with the Company's financial policy, which does not allow speculative transactions on financial instruments. Derivatives that meet the requirements of IFRS 9 for hedge accounting are accounted for according to this methodology. Changes in the *fair value* of derivative instruments that do not meet the criteria for hedge accounting are recognised in the income statement in the reporting period. The interest rate and currency derivatives used by the Company are *over-the-counter* ("**OTC**") instruments, traded bilaterally with market counterparties, the fair value of which is determined on the basis of valuation techniques using market-observable parameters, such as interest rate curves and exchange rates, in accordance with level 2 of the *fair value* hierarchy defined by IFRS 13.

Derivatives are measured at *fair value* at each balance sheet date, using the applicable exchange rates or interest rates and yield curves observable in the market as a measurement parameter.

The following table provides details of the fair value of derivative financial instruments and the respective notional amounts hedged as of December 31, 2025:

(in thousands of €)	As of December 31, 2025			
	Positive fair value	Negative fair value	Notional covered (in€)	Notional Hedged (in foreign currency)
Cross-currency interest rate swaps	-	(169,620)	1,864,081	2,000,011
Interest rate swaps	9,387	(56,724)	4,600,000	4,600,000
Commodities swap	-	(22,350)	302,251	302,251
Total	9,387	(248,694)	6,766,332	6,902,262

23. Employee benefits

The following table shows the details of the item in question:

(in thousands of €)	31 December	
	2025	2024
Severance pay (TFR)	264,767	308,597
Total employee benefits	264,767	308,597

The item in question includes changes in the provision relating to severance indemnity:

(in thousands of €)	2025	2024
Balance as of 1 January	308,597	772
Business Combination	-	296,785
Changes in the income statement	8,849	5,232
- of which: Service cost	-	68
- of which: Financial charges	8,849	5,164
Changes in the statement of comprehensive income	(9,580)	10,457
Benefits Paid	(43,099)	(4,649)
Balance at year-end	264,767	308,597

The following table shows the main financial assumptions used to determine the present value of the severance indemnity:

(in %)	As of December 31			
	2025		2024	
	Executives	Non-Executives	Executives	Non-Executives
Discount Rate	3,37%	3,37%	2,93%	2,93%
Inflation rate	2,00%	2,00%	2,00%	2,00%
Turnover rate	0,00%-2,00%	0,00%-1,00%	0,00%-2,00%	0,00%-1,00%

In determining its liabilities for severance pay, the Company used the benchmark provided by the Italian National Institute of Statistics ("ISTAT") for estimates of mortality rates in Italy, broken down by age and gender.

The following table shows the sensitivity analysis of the liability for severance indemnities with respect to the

change in the main actuarial assumptions:

<i>(in thousands of €)</i>	As of December 31			
	2025		2024	
	+ 50 pb	- 50 pb	+ 25 pb	- 25 pb
Discount Rate	(8,126)	8,528	(6,954)	7,322
Inflation rate	6,380	(6,198)	5,449	(5,282)
Turnover rate	161	(166)	(9)	10

The average duration of liabilities for severance indemnities in 2025 was 7.1 years (2024: 5.4 years).

24. Current and non-current provision

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Dismantling and restoration (ARO)	Staff Funds	Onerous contracts	Legal and tax risks	Other funds	Total
Balance as of January 1, 2024	127,296	-	-	1,980	-	129,276
Business Combination	496,541	17,714	19,700	316	24,756	559,027
Increases in the balance sheet and financial position	33,305	-	-	-	-	33,305
Increases in the income statement	-	222,676	-	7,546	-	230,222
Releases	-	-	-	(1,350)	-	(1,350)
Uses	(19,119)	-	-	-	-	(19,119)
Financial charges from discounting	12,132	-	-	-	-	12,132
Balance as of 31 December 2024	650,155	240,390	19,700	8,492	24,756	943,493
- of which current	-	49,524	-	7,116	-	56,640
- of which non-current	650,155	190,866	19,700	1,376	24,756	886,853
Increases in the balance sheet and financial position	7,118	-	-	-	-	7,118
Increases in the income statement	-	13,578	-	2,284	48,871	64,733
Releases	-	(4,295)	-	(1,362)	-	(5,657)
Uses	(11,309)	(8,719)	-	(1,093)	(3,593)	(24,714)
Financial charges from discounting	15,578	-	-	-	-	15,578
Other movements	-	(233,234)	-	-	-	(233,234)
Balance as of 31 December 2025	661,543	7,720	19,700	8,321	70,034	767,318
- of which current	62,503	7,720	-	2,988	30,818	104,029
- of which non-current	599,040	-	19,700	5,333	39,216	663,289

For the year ended 31 December 2025, the Company recognised provisions for an amount of 64,733 thousand Euros for: severance incentives, contractual disputes, penalties with operators and other trade agreements.

The Other movements refer to the reclassification to debit of the provision allocated for early retirement and

related employee contributions, recognised in accordance with the agreement signed with the trade unions pursuant to Article 4 of the Fornero Law, relating to employees who left during the 2025 financial year.

The “Other provisions” include an accrual recognised during the year for the probable obligation relating to the termination of commercial agreements transferred in the context of the Business Combination.

25. Trade payables

As at 31 December 2025, trade payables amounted to 2,361,778 thousand Euros. Trade payables are non-interest bearing and are normally settled by the Company within the payment terms provided, including those under the Company's reverse factoring agreement.

The Company has signed reverse *factoring* contracts, offered to certain strategic suppliers. Accession to these agreements is voluntary. Participating suppliers can obtain advance payment of invoices issued to the Company through an external financial institution. In this case, suppliers are required to pay this institution a commission and a financing cost. The Company does not intervene in the financial conditions agreed between the suppliers and the external financial institution, nor does it incur any costs for this purpose.

Since the aforementioned agreements do not change the original terms of trade payables, as the payment terms with suppliers have not been renegotiated at the same time as these agreements, and since the financial relationship involves only suppliers and external financial institutions without the Company's involvement, the payment obligations arising from such agreements are classified under trade payables, as they maintain the same nature and function. The Company extinguishes the original invoice by making payment to the financial institution, in line with the original invoice deadline. This classification remains unchanged even if, through separate agreements between the supplier and the financial institution, in which the Company is in no way involved, the supplier requests to receive the amounts due from the financial institution in advance.

The following table shows the details of the trade payables included in *reverse factoring contracts*:

<i>(in thousands of €)</i>	As of December 31, 2025
Trade payables included in <i>reverse factoring contracts</i>	235,792
<i>Which suppliers have received payment for</i>	228,859

26. Other current and non-current liabilities

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31, 2025			As of December 31, 2024		
	Other current liabilities	Other non-current liabilities	Total	Other current liabilities	Other non-current liabilities	Total
Public subsidies	123,000	1,530,552	1,653,552	6,672	1,102,759	1,109,431
Advances	162,453	135,381	297,834	97,667	255,672	353,339
Deferred income	147,404	201,897	349,301	153,134	191,324	344,458
Payables to social security institutions	59,184	-	59,184	45,834	-	45,834
Payables to employees	152,014	109,692	261,704	38,447	-	38,447
Tax debts	36,500	-	36,500	28,405	-	28,405
Other payables	36,709	-	36,709	138,462	-	138,462
Total	717,264	1,977,522	2,694,786	508,621	1,549,755	2,058,376

The item "Public contributions" includes, in addition to the deferral of the contributions recognised in the income statement over the duration of the economic incentive period to which they refer, the residual balance of Euro 693,922 thousand of the advance received by Infratel on the contributions of the two NRRP tenders awarded to FiberCop, net of the amounts recovered progressively at each reporting, on the basis of the agreed terms.

As of 31 December 2025, the item "Other payables" mainly refers to the portions of insurance coverage and supplementary health care. The difference compared to the previous year mainly refers to the payment of the liability for tax consolidation recorded at 31 December 2025 for an amount of 135,294 thousand Euros.

27. Fair value measurement

The following table shows the Company's financial assets and liabilities as of December 31, 2025, measured and recognized at *fair value* on a recurring basis:

<i>(in thousands of €)</i>	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	9,387	-	9,387
Financial liabilities				
Derivative financial instruments	-	248,694	-	248,694

Assets and liabilities for derivative financial instruments reflect their *fair value* at the reporting date. The Company did not measure additional financial assets or liabilities at *fair value* on a non-recurring basis as of December 31, 2025.

As of December 31, 2025, the Company has measured derivative financial instruments in accordance with Level

2 of the *fair value* hierarchy, relying primarily on data provided by pricing service providers (non-active markets). These derivatives include *cross-currency interest rate swaps*, which are used to hedge currency fluctuations on US dollar-denominated bonds, and *interest rate swaps*, which are used to mitigate changes in Euribor on bank loans. Fair *value* was determined using the *hypothetical derivative method* ("HDM"), which compares the change in the *fair value* or cash flows of the hedging instrument with the change in the *fair value* or cash flows of a hypothetical derivative that models the hedged risk. The effectiveness of the coverage was quantitatively assessed by regression analysis. Differences between changes in the *fair value* of real and hypothetical derivatives are recognised in the cash flow hedge reserve in equity or as ineffectiveness in the income statement. Credit risk is constantly monitored. Coverage relationships were rated as highly effective.

Categories of financial assets and liabilities according to IFRS 7

(in thousands of €)	As of December 31, 2025				As of December 31, 2024		
	FVOCI	FVTPL	Amortized cost	Total	FVOCI	Amortized cost	Total
Financial assets							
Cash and cash equivalents	-		2,590,940	2,590,940	-	996,960	996,960
Trade receivables	-		1,176,662	1,176,662	-	885,799	885,799
Current and non-current financial assets	9,387	651	163,510	173,548	-	275,742	275,742
Contractual activities	-		796,434	796,434	-	207,543	207,543
Other current and non-current assets	-		18,637	18,637	-	87,200	87,200
Total financial assets	9,387	651	4,755,570	4,766,221	-	2,453,244	2,453,244
Financial liabilities							
Current and non-current financial liabilities	-		15,267,544	15,267,544	-	12,287,906	12,287,906
Trade payables	-		2,361,778	2,361,778	-	2,138,902	2,138,902
Derivative financial instruments	248,694		-	248,694	116,434	-	116,434
Public subsidies	-		1,653,552	1,653,552	-	1,109,431	1,109,431
Total financial liabilities	248,694	-	19,282,874	19,531,568	116,434	15,536,239	15,652,673

The carrying amount of cash and cash equivalents, financial assets and trade receivables, net of allowances for doubtful accounts in accordance with IFRS 9, approximates their estimated realisable value and their fair value. Lease liabilities are initially measured at present value and then measured at amortised cost, while all other financial liabilities are measured at amortised cost, which approximates their fair value.

As of December 31, 2025, the Company recognises among Cash and cash equivalents instruments for the use of liquidity in securities that comply with the requirements of IAS 7 *Statement of Cash Flows*, being highly liquidity, readily convertible financial investments subject to an insignificant risk of change in value. These instruments are

classified as **FVTPLs** because they do not meet the requirements for amortised cost measurement or FVOCI. For more information, please refer to *Note 3 Summary of the Physical Accounting Principles Applied*.

28. Qualitative and quantitative information on financial risks

The Company's activities are exposed to the following risks:

- market risk, mainly related to foreign currency exchange rates and interest rates;
- liquidity risk, relating to the availability of funds and access to credit, where necessary, and to financial instruments in general;
- credit risk, relating to the non-payment by counterparties of the amounts due or the non-fulfilment of contractual obligations.

Such risks could have a material impact on the Company's financial position, results of operations and cash flows. To manage these exposures, the Company carefully identifies and monitors these risks, in order to promptly detect potential adverse effects and take mitigation measures. These activities are mainly managed through the Company's operating and financial activities and, if necessary, through the stipulation of derivative financial instrument contracts.

Exchange rate risk

The Company is exposed to foreign exchange risk with respect to its USD-denominated notes. To manage this risk, the Company's policy is to hedge currency exposure to financial liabilities. Although such hedges are designed to mitigate the risk of fluctuations in exchange rates, the possibility that the Company may be adversely affected by adverse changes in exchange rates cannot be completely excluded. An appreciation or depreciation of the euro against the currencies of some of the countries in which the Company invests could positively or negatively affect the Company's operating result or overall financial position. As of December 31, 2025, the Company has an original exposure in USD to the principal and interest of USD bonds issued during the exchange of TIM bonds (for more information, please refer to the paragraph "*Group Balance Sheet and Financial Performance - Bonds*"). *This risk has been covered from the outset and for the total of its value (both principal and interest) through cross-currency interest rate swaps, executed with leading banking counterparties of international standing.*

Interest rate risk

The Company is also exposed to interest rate risk on the portion of its debt indexed to floating rates. The decision to maintain a certain debt structure with fixed and floating rates aims to minimise the negative impact of interest paid and is partially achieved through the use of *interest rate swaps*, through which floating-rate liabilities are converted into fixed-rate instruments. The use of *interest rate swaps* is solely for the purpose of hedging the interest rate risks associated with cash flows and not for trading or speculative purposes.

As of December 31, 2025, the coverage ratio is a significant part, a large majority of its value. Any changes in

interest rates that are not adequately hedged by derivatives could affect the economic profile of the Company's floating-rate financial liabilities, with possible negative impacts on results of operations and cash flows.

For the year ended 31 December 2025, a 100 basis point increase in interest rates on floating-rate loans not covered by interest rate swaps would have resulted in an increase in pre-tax loss of 9,221 thousand Euros.

Credit risk

Credit risk is the risk that a counterparty will default on its obligations relating to a financial instrument or commercial contract, resulting in a financial loss. The Company is exposed to credit risk arising from its operating activities, mainly trade receivables, and from its own financial assets, such as cash and cash equivalents in bank accounts or deposits with banks and financial institutions. At the date of each financial statement, an analysis is carried out on the need for a write-down of trade receivables in accordance with the requirements established by IFRS 9. The maximum exposure to credit risk at the reporting date is equal to the carrying amount of trade receivables and other financial receivables.

Trade receivables and other financial receivables are mainly concentrated among a small number of key customers, increasing the potential impact of a default by those customers. As at 31 December 2025, the amount of financial assets deemed to be uncertain recoverable is not significant and is covered by the provision for doubtful debts.

The following table shows the maturity of trade receivables and other financial receivables:

As of December 31, 2025 <i>(in thousands of €)</i>	To expire	Expired in 1-90 days	Expired in 91- 180 days	Expired in 181-365 days	Expired for more than 365 days	Total
Gross receivables	1,211,447	37,352	20,792	70,561	60,810	1,400,962
Provision for doubtful accounts	(4,980)	(855)	(1,870)	(8,471)	(25,243)	(41,419)

Liquidity risk

Liquidity risk is the risk that financial resources are not sufficient to meet financial and commercial obligations according to the established terms and deadlines. The Group monitors this risk through specific planning activities, in order to maintain a balance between financing requirements and their use.

In order to mitigate liquidity risk, the Company aims to maintain an adequate level of financial flexibility in terms of cash and available credit facilities. In particular, the Company has a *revolving credit facility (RCF)* of 2,120 million euros, of which 2,020 with maturity in June 2029 and 100 million with maturity in December 2030 not fully unused as of December 31, 2025, which allows it to cover refinancing needs well beyond the next 12-18 months.

FiberCop S.p.A.

The following table shows the expected cash flows in future years relating to financial liabilities:

As of December 31, 2025	Within 1 year	1-5 years	Over 5 years	Total cash flow Contractual*	Value in the balance sheet
<i>(in thousands of €)</i>					
Bonds	756,271	4,979,539	5,005,860	10,741,670	8,012,673
Bank loans	252,992	6,252,064	-	6,505,056	5,440,092
Lease liabilities	432,422	1,087,252	592,214	2,114,888	1,813,981
Derivative financial instruments	-	69,686	169,621	239,307	239,307
Trade payables	2,361,778	-	-	2,361,778	2,361,778
Total	3,803,463	13,475,793	5,767,695	21,962,699	17,867,831

() Contractual cash flow includes interest on principal and excludes hedging effects.*

As of December 31, 2024	Within 1 year	1-5 years	Over 5 years	Total cash flow Contractual*	Value in the balance sheet
<i>(in thousands of €)</i>					
Bonds	294,420	4,129,855	3,765,357	8,189,632	5,762,795
Bank financing	236,959	5,640,806	-	5,877,765	4,562,129
Lease liabilities	375,413	1,130,425	842,994	2,348,832	1,962,982
Derivative financial instruments	-	87,814	28,620	116,434	116,434
Trade payables	2,138,902	-	-	2,138,902	2,138,902
Total	3,045,694	10,988,900	4,636,971	18,671,565	14,543,242

In order to mitigate liquidity risk, the Company aims to maintain an adequate level of financial flexibility, in terms of cash and restricted credit lines, which allow it to meet its refinancing needs for the next 12-18 months.

As of December 31, 2025, and December 31, 2024, in order to meet short-term liabilities, the Company holds cash and cash equivalents for an amount of euro 2,591 million and euro 997 million respectively.

Details of the restricted credit lines available to the Group as of December 31, 2025, are as follows:

<i>(in thousands of €)</i>	Currency	Deadline	As of December 31, 2025		As of December 31, 2024	
			Arrangement	Picked up	Arrangement	Picked up
Revolving Credit facility (RCF)	€	27-Jun-29	2,020,000	-	2.000.000	-
	€	31-Dec-30	100,000	-	-	-
Total			2.120.000	-	2,000,000	-

The RCF accrues interest based on a base rate, determined according to the currency in which the loan is denominated, to which is added a variable spread that fluctuates over time between 225 bps and 350 bps.

29. Transactions with related parties

Transactions with related parties, unless provided for by specific regulatory conditions, are settled at market conditions.

Their implementation takes place in compliance with the internal procedure approved on 24 April 2025 by the Board of Directors of the company Optics Holdco S.r.l. This procedure sets out the procedural rules applicable to Related Party Transactions carried out by Optics Holdco S.r.l. and its subsidiaries with regard to (i) the approval process and (ii) the process of consolidation of information with related parties and the related disclosure in the financial statements in accordance with IAS 24.

The Company's related parties are all entities and individuals, including their immediate family members, who are capable of exercising control, joint control, or significant influence over the Company. Related parties include the wholly owned subsidiary FiberCop Insurance Broker, the Company's current sole controlling shareholder, Optics HoldCo, the shareholders of Optics HoldCo and its subsidiaries. Related parties also include members of the Board of Directors, executives with strategic responsibilities, as well as their family members and the entities they control, to the extent that they are capable of exercising control, joint control or significant influence over the Company.

The Company believes that all relationships with related parties are substantially regulated on the basis of normal market conditions, considering the characteristics of the goods or services involved.

FiberCop S.p.A.

The following tables detail the transactions with related parties relating to the years ended December 31, 2025 and 2024:

<i>(in thousands of €)</i>	For the year ended 31 December									
	2025					2024				
	Revenue	Costs for raw materials and services*	Personnel costs	Other operating income/(expenses)	Net financial expenses	Revenue	Costs for raw materials and services*	Personnel costs	Other operating income/(expenses)	Net financial expenses
Shareholders of the Company, companies controlled by the shareholder of the company or its shareholders and other related parties										
Shareholders of the parent company ⁽¹⁾	-	(15,540)	-	-	-	-	(7,400)	-	-	-
Optics HoldCo S.r.l.	-	-	-	5,785	-	-	-	-	-	-
FiberCop Insurance Broker S.r.l.	-	-	-	12	-	-	-	-	-	-
EnerCop Group ⁽²⁾	-	(320,254)	-	8,605	2,358	528	(153,885)	-	501	2,089
BeeXact Group ⁽³⁾	-	(3,134)	-	4,674	-	-	-	-	-	-
Others ⁽⁴⁾	-	-	-	-	-	-	-	(201)	-	-
TIM ⁽⁴⁾	-	-	-	-	-	600,256	(86,996)	(5)	(4,505)	(83,412)
Total transactions with related parties	-	(338,928)	-	19,076	2,358	600,784	(248,281)	(206)	(4,004)	(81,323)
Total for the Company	3,775,482	(951,941)	(787,282)	(16,952)	(786,350)	2,577,200	(824,054)	(412,620)	(9,862)	(516,682)

*Also includes restructuring charges and non-recurring transactions

FiberCop S.p.A.

As of December 31								
<i>(in thousands of €)</i>	2025				2024			
	Non-current assets	Current Assets	Non-current liabilities	Current liabilities	Non-current assets	Current Assets	Non-current liabilities	Current liabilities
Shareholders of the company, companies controlled by the shareholder of the company or its shareholders and other related parties								
Shareholders of the parent company ⁽¹⁾	-	-	-	7,770	-	-	-	7,400
Optics HoldCo S.r.l.	-	5,785	-	8,842	-	-	-	-
FiberCop Insurance Broker S.r.l.	-	12	-	1,313	-	-	-	-
EnerCop Group ⁽²⁾	-	22,089	-	36,106	-	27,585	-	50,567
BeeXact Group ⁽³⁾	36,395	8,489	-	3,736	-	-	-	-
Others ⁽⁴⁾	-	-	-	-	-	-	-	127
TIM ⁽⁴⁾	-	-	-	-	213,371	522,636	2,348,447	1,003,032
Total transactions with related parties	36,395	36,375	-	57,767	213,371	550,221	2,348,447	959,992
Total for the Company	27,010,873	4,573,960	18,753,707	4,070,656	25,778,998	2,359,835	16,125,070	3,112,659

⁽¹⁾ Refers to general management consulting services.

⁽²⁾ Refers to transactions with companies belonging to the EnerCop Group, such as EnerCop S.r.l.) Telenergia S.r.l., AssetCop S.p.A. and SolarCop S.p.A., wholly owned by the Company's sole shareholder, which provide services and solutions for energy efficiency and renewable energy, mainly to Telenergia S.r.l. for energy purchase costs of approximately €306 million and related trade payables of €32,4 million as at 31 December 2025.

⁽³⁾ Refers to transactions with companies belonging to the BeeXact Group, such as BeeXact B.V., BeeXact Italy S.r.l. and Connecting Poject S.r.l.), which joined the HoldCo Group during 2025, mainly relating to network services.

⁽⁴⁾ Includes transactions with TIM and its subsidiaries or shareholders, prior to the completion of the Business Combination, therefore relating to the first half of 2024.

Key Management

Relations with the Directors mainly concern the remuneration of executives with strategic responsibilities and the remuneration of the members of the Board of Directors. The remuneration of executives and members of the Board of Directors for the year ended 31 December 2025 amounted to 18,467 thousand Euros.

30. Other information

Commitments and guarantees

The guarantees provided by the Company to third parties amount to a total of €1,771 million, provided by financial institutions or insurance companies, to guarantee the correct fulfilment of contractual obligations. The main guarantees are given below:

- insurance guarantees, mainly referring to performance bonds provided by FiberCop in accordance with the provisions of contracts with Public Administrations, for an amount of €472 million;
- bank guarantees relating to real estate contracts and for the purchase of energy, for an amount of €190 million;
- guarantees issued to Infratel for advances on contributions under the National Recovery and Resilience Plan ("NRRP"), which represented a total exposure of €551 million for insurance guarantees relating to the "Italia 1 Giga" (lots 3, 4, 11, 14 and 15) and "Italia 5G Backhauling" (lots 1, 2, 3, 4, 5 and 6) plans and a total exposure of €300 million for bank guarantees relating to the "Italia 1 Giga" plans (lots 1 and 5);
- bank guarantees, issued in favour of INPS in support of the application of Article 4 of Law No. 92 of 28 June 2012 and Art. 41, paragraph 5bis, of Legislative Decree no. 148/2015 for the incentive to leave workers in possession of the required requirements, for an amount of 258 million euros.

Litigation

The Group has ongoing disputes, intangible both individually and as a whole, relating to surface rights with reference to the network. Therefore, a special provision has been recognized to cover disputes for which the outcome of a loss is considered probable.

AGCM Proceduring - I874

As mentioned in the Management Report, to which reference is made, the I874 proceeding initiated at the end of 2024 by the Italian Competition Authority (ACGM) against FiberCop and TIM was successfully concluded.

European Commission Proceedings - M. 12099

On May 30, 2024, the European Commission cleared the acquisition of NetCo (FiberCop) by KKR without conditions, concluding that the transaction did not raise competition concerns in the European Economic Area ("EEA").

In particular, the Commission examined the impact of the transaction on the wholesale market for broadband

FiberCop S.p.A.

access services in Italy and concluded that the merged entity would not be able to relax the conditions for access to passive services, or to terminate such access, also taking into account the existence of certain access agreements concluded by FiberCop with several operators.

On 24 July 2025, the European Commission initiated against the shareholder KKR & Co.Inc., as the ultimate controlling entity of the controlling shareholders of FiberCop ("KKR"), a misleading information proceeding to assess whether KKR has provided incorrect information regarding the aforementioned access agreements. FiberCop, which is not a party to the proceedings, has provided the competent authorities with the requested information

Public contributions - Information pursuant to Article 1, paragraph 125, of Law No. 124 of 4 August 2017

Under Italian Law 124/2017, companies are required to disclose information regarding grants, contributions, paid assignments and any economic benefits received from Italian public administrations. In this regard, the following table shows the disbursements received by FiberCop S.p.A. during 2025.

(in €)

<i>Expenditure Entity</i>	<i>Area of intervention</i>	<i>Development Plan</i>	<i>Amount received in 2025</i>
INFRADEL	Implementation of network infrastructure (NRRPNRRP)	Italy 1 Giga	15,244,827
INFRADEL	Implementation of network infrastructure (NRRP)	5G Backhaul	2,662,150
Total			17,906,977

Remuneration of Directors and Statutory Auditors

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Administrators	378	757
Statutory Auditors	260	164
Total	638	921

Audit fees

The following table shows the fees paid to EY S.p.A. for the audit of the Consolidated Financial Statements and other auditing and verification services:

<i>(in thousands of €)</i>	2025	2024
Audit of the Financial Statements	973	1,335
Limited Audit of the Sustainability Report	90	-
Other services	657	840
Total	1,720	2,175

The other services for the year 2025 mainly include the audit of the interim financial statements and other activities aimed at the bond issue that took place during the first half of 2025.

Information about the entity exercising management and coordination activities

Pursuant to art. 2497 et seq. of the Italian Civil Code, the following are the essential data of Optics HoldCo S.r.l., a company that carries out management and coordination activities, with registered office in Milan - Via Marco Aurelio, 24. According to the regulations of the Italian Civil Code, the data of the parent company are represented below through an extract from the schedules of the last approved financial statements, for the year ended 31 December 2024:

INCOME STATEMENT

<i>(in €)</i>	For the period ended December 31, 2024
Costs for raw materials and services	(254,595)
Other (operating costs)/income	(119)
Operating loss	(254,714)
Financial income	1,205,292
Profit before tax	950,578
Income taxes	(281,086)
Profit for the period	669,492

STATEMENT OF FINANCIAL POSITION

<i>(in €)</i>	As of December 31, 2024
Non-current assets	
Investments in subsidiaries	9,455,584,964
Total non-current assets	9,455,584,964
Current Assets	
Other current activities	313,976
Cash and cash equivalents	95,884,879
Total current assets	96,198,855
Total assets	9,551,783,819
Shareholders' equity and liabilities	
Total Shareholders' Equity	9,551,245,036
Current liabilities	
Trade payables	230,860
Tax debts	281,086
Other current liabilities	26,837
Total current liabilities	538,783
Total shareholders' equity and liabilities	9,551,783,819

31. Subsequent events

The Company has valued subsequent events up to March 25, 2026, the date on which the Separate Financial Statements were approved by the Board of Directors, and has identified the following events as non-adjustments as defined by IAS 10:

- Agreement ex. Art. 4 Law 92/2012*

On 29 January 2026, an agreement was signed between FiberCop and the Trade Unions ex. Art. 4, Law 92/2012, to encourage the exodus of people in possession of the required requirements, up to a maximum of 1,800 people;
- Closing of AGCM Proceeding - 1874*

On 23 February 2026, the investigation proceedings initiated in December 2024 by the AGCM against FiberCop and TIM, aimed to ascertain potential violations of Article 101 TFEU in connection with the Master Service Agreement, were successfully concluded. As a result, the commitments addressing the critical issues identified at the initiation stage of the proceeding were accepted and made binding. For further details, please refer to the Management Report – Competitive environment and regulatory framework in this document.

FiberCop S.p.A.

- *“Wholesale only” qualification*

On 16 March, AGCOM published Resolution No. 58/26/CONS, which defines the new regulatory obligations imposed on FiberCop as a “wholesale-only” operator. Refer to Management report – Competitive environment and regulatory framework section for further information.

- *Redemption of Senior Bonds*

On 24 February 2026, the Company completed the early redemption of all senior secured bonds with a rate of 3.625% for a total amount of €322 million, issued in 2024 by Optics Bidco S.p.A., currently FiberCop S.p.A..

- *Financial Operations*

On February 26th 2026, FiberCop launched an amend and extend proposal on its existing senior bank facilities (across term loans and revolving credit facilities totaling more than euro 7,642 million), proposing an extension of the maturity from 2029 to 2031 and the waiver of the step-up mechanism on the margin applied over EURIBOR. As at the date hereof, lenders representing over 75% of the overall commitment have so far irrevocably to the proposal.

There are no other relevant events to report.

32. Proposal for the allocation of the result for the year

These Financial Statements for the year ended 31 December 2025 show a loss of 206,315,128 euros, a share capital of 17,835,900 euros and shareholders' equity of 8,760,469,138 euros.

On the basis of these results, the Board of Directors proposes to:

- Approve the Separate Financial Statements as at 31 December 2025;
- Carry forward the loss for the year of 206,315,128 euros.

Rome, 25 March 2026

For the Board of Directors
The Chairman and Chief Executive Officer
Signed by: Massimo Sarmi

AUDITORS' REPORT



FiberCop S.p.A.

Financial Statements as at December 31, 2025

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Sole Shareholder of
FiberCop S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FiberCop S.p.A. (the Company), which comprise the separate statement of financial position as at December 31, 2025, and the separate income statement, the separate statement of comprehensive income/(loss), the separate cash flow statement and statement of changes in shareholder's equity for the year then ended, and the notes to the financial statements, including material accounting policies information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Shape the future
with confidence

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010

The Directors of FiberCop S.p.A. are responsible for the preparation of the Management Report of FiberCop S.p.A. as at December 31, 2025, including its consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Management Report, with the financial statements;
- express an opinion on the compliance of the Management Report with the applicable laws and regulations;
- issue a statement on any material misstatement in the Management Report.

In our opinion, the Management Report is consistent with the financial statements of FiberCop S.p.A. as at December 31, 2025.

Furthermore, in our opinion, the Management Report complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Turin, March 27, 2026

EY S.p.A.

Signed by: Ettore Abate, Auditor

This report has been translated into the English language solely for the convenience of international readers.



FiberCop

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS December 31, 2025

CONSOLIDATED INCOME STATEMENT

(€)	Note	For the year ended December 31	
		2025	2024
Revenues	6	3,776,530,287	2,577,200,225
Costs of goods and services	7	(847,809,655)	(501,122,166)
Personnel costs	8	(787,281,904)	(412,619,653)
Other operating (expenses)/income	9	(16,952,869)	(9,861,936)
Restructuring and non-recurring items	10	(104,267,435)	(322,931,993)
Depreciation and amortization	11	(1,622,056,488)	(967,548,406)
Gains/(Losses) on disposals		7,621,378	(1,339,573)
Operating income/(losses)		405,783,315	361,776,498
Financial income	12	51,924,841	27,115,575
Financial expenses	12	(838,275,209)	(543,797,741)
Exchange gains/(losses)	12	176,977	(4,003,761)
(Loss)/Profit before taxes		(380,390,076)	(158,909,429)
Income taxes	13	174,731,663	(31,643,656)
(Loss)/Profit for the year		(205,658,413)	(190,553,085)

The accompanying explanatory notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

<i>(in €)</i>	Note	For the year ended December 31	
		2025	2024
(Loss)/Profit for the year		(205,658,413)	(190,553,084)
Other comprehensive income/(loss):			
Items that will be subsequently reclassified in the income statement:			
Net gain from cash flow hedges		107,667,454	(200,063,480)
Income taxes relating to these items	13	(25,840,190)	48,015,235
Items that will not be subsequently reclassified to the income statement:			
Actuarial gain/(loss) from defined benefit plans	23	9,579,998	(10,457,186)
Income taxes relating to these items	13	(2,302,621)	2,509,521
Total comprehensive income/(loss), net of taxes		89,104,641	(159,995,910)
Total comprehensive income/(loss)		(116,553,771)	(350,548,994)

The accompanying explanatory notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in €)</i>	Note	December 31, 2025	December 31, 2024
Assets			
Non-current assets			
Intangible assets	14	12,108,634,348	12,124,723,127
Property, Plant and equipment	15	12,169,375,958	10,614,535,273
Rights of use assets	16	2,319,457,691	2,689,364,288
Non-current financial assets	17	9,333,482	132,501,161
Derivative financial instruments	22	9,387,107	-
Other non-current assets	19	394,675,001	217,875,094
Total non-current assets		27,010,863,587	25,778,998,943
Current assets			
Trade receivables	18	1,177,586,545	885,799,234
Inventories		28,541,007	33,139,717
Current financial assets	17	173,547,813	143,241,126
Income tax receivables		72,059,134	53,529,329
Other current assets	19	532,299,735	247,166,273
Cash and cash equivalents		2,591,692,539	996,959,960
Total current assets		4,575,726,773	2,359,835,639
Total assets		31,586,590,360	28,138,834,582

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in €)</i>	Note	December 31, 2025	December 31, 2024
Liabilities and equity			
Total equity	20	8,761,125,853	8,901,104,268
Non-current liabilities			
Non-current financial debt	21	14,398,184,196	11,879,410,079
Derivative financial instruments	22	248,694,348	116,433,674
Employee benefits	23	264,766,955	308,597,055
Non-current provisions	24	663,289,531	886,852,565
Deferred tax liabilities		1,201,250,907	1,384,020,642
Other non-current liabilities	26	1,977,522,204	1,549,755,169
Total non-current liabilities		18,753,708,141	16,125,069,184
Current liabilities			
Current financial debt	21	869,360,412	408,496,297
Current provisions	24	104,028,446	56,639,801
Trade payables	25	2,362,609,743	2,138,902,421
Income tax payables		18,262,013	-
Other current liabilities	26	717,495,752	508,622,611
Total current liabilities		4,071,756,365	3,112,661,130
Total equity and liabilities		31,586,590,360	28,138,834,582

The accompanying explanatory notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

<i>(in €)</i>	Note	For the year ended December 31	
		2025	2024
<i>Operating activities</i>			
(Loss)/Profit for the year		(205,658,414)	(190,553,084)
Income taxes	13	(174,731,663)	31,643,656
Depreciation and amortization	11	1,622,056,488	967,548,406
Financial income, financial expenses and exchange losses/(gains)	12	786,173,391	520,685,927
Write-downs and other provisions		70,267,479	234,600,097
Other non-cash expenses/(income), net		(248,624,626)	(58,738,321)
Change in trade receivables		(375,892,051)	(142,896,678)
Change in trade payables		200,287,468	730,522,680
Change in inventories		4,598,710	(5,793,368)
Collections from IRU financial receivables	17	178,555,000	111,368,000
Collections for guaranteed deposits	17	92,575,032	-
Payments for guaranteed deposits		-	(91,123,000)
Change current and non-current provisions	24	(24,711,374)	(19,118,775)
Change in employee benefits	23	(43,099,247)	(4,649,338)
Change in other operating assets and liabilities		170,252,542	(53,118,863)
Income taxes paid		(167,617,882)	(221,871,904)
Net cash flow generated from operating activities		1,884,430,853	1,808,505,435
<i>Investment activities</i>			
Investments in tangible assets	15	(2,336,647,000)	(1,936,439,000)
Investments in intangible assets	14	(230,956,380)	(60,180,000)
Investments in rights of use assets	16	(78,862,767)	-
Disposal of tangible assets, intangible assets and rights of use assets		33,769,175	3,977,622
Proceeds active financing		10,000,000	
Net proceeds from loans to employees	17	1,520,000	2,866,000
Interest received		44,263,847	17,220,240
Proceeds from current financing	17	-	60,000,000
Payments for current financing	17	-	(80,000,000)
Net cash flow used in investing activities		(2,556,913,125)	(1,992,555,138)

<i>(in €)</i>	Note	For the year ended December 31	
		2025	2024
<i>Financing activities</i>			
Providing financing from third parties		-	195,000,000
Proceeds from bank loans	21	830,000,000	-
Proceeds from Bonds	21	2,800,000,000	-
Repayment of bank loans	21	-	(1,500,000,000)
Repayment of other financial liabilities	21	-	(2,312,099,000)
Repayment of bonds		(375,000,000)	
Other changes in financial liabilities		(34,618,581)	-
Other changes in financial assets		(3,359,041)	-
Repayments of lease liabilities	21	(372,686,745)	(146,733,000)
Interest paid		(570,892,756)	(334,860,677)
Proceeds from capital contribution and reverse merger		9,269,088	5,127,468,099
Proceeds from Ramo Contribution		-	329,002
Reserves allocation		(15,497,115)	-
Net cash flow provided by financing activities		2,267,214,851	1,029,104,424
Net cash flow from cash and cash equivalents		1,594,732,579	845,054,721
Cash and cash equivalents at beginning of the year		996,959,960	151,905,239
Cash and cash equivalents at the end of the year		2,591,692,539	996,959,960

The accompanying explanatory notes form an integral part of these Consolidated Financial Statements.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(in €)</i>	Share Capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total Equity
At January 1, 2024	10,000,000	4,841,050,000	-	(103,703,054)	1,042,778,967	5,790,125,913
(Loss)/Profit for the period	-	-	-	-	(190,553,084)	(190,553,084)
(Loss)/Profit on cash flow hedges	-	-	(152,048,245)	-	-	(152,048,245)
Net actuarial loss on defined benefit plans	-	-	-	(7,947,665)	-	(7,947,665)
Total comprehensive income/(loss)	-	-	(152,048,245)	(7,947,665)	(190,553,084)	(350,548,994)
Ramo Contribution	4,007,200	3,977,078,079	-	-	-	3,981,085,279
Capital Contribution	3,828,700	3,810,832,049	-	-	-	3,814,660,749
Reverse Merger	-	(4,334,236,247)	-	-	-	(4,334,236,247)
Other changes	-	-	-	17,568	-	17,568
At December 31, 2024	17,835,900	8,294,723,881	(152,048,245)	(111,633,151)	852,225,883	8,901,104,268

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(in €)</i>	Share Capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Retained earnings	Total Equity
At January 1, 2025	17,835,900	8,294,723,881	(152,048,245)	(111,633,151)	852,225,883	8,901,104,268
(Loss)/Profit for the year	-	-	-	-	(205,658,413)	(205,658,413)
Loss on cash flow hedges	-	-	81,827,264	-	-	81,827,264
Net actuarial loss on defined benefit plans	-	-	-	7,277,378	-	7,277,378
Total comprehensive income/(loss)	-	-	81,827,264	7,277,378	(205,658,413)	(116,553,771)
Reserves allocation	-	-	-	-	(23,434,663)	(23,434,663)
PrepCo Merger	-	-	-	10,019	-	10,019
Other changes	-	-	-	1,567,180	(1,567,180)	-
At December 31, 2025	17,835,900	8,294,723,881	(70,220,981)	(102,778,574)	651,565,627	8,761,125,853

The accompanying explanatory notes form an integral part of these Consolidated Financial Statements.

Rome, 25 March 2026

For the Board of Directors
The Chairman and Chief Executive Officer
Signed by: Massimo Sarmi

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

1. General information

FiberCop S.p.A. (hereinafter "**FiberCop**" or the "**Company**" and together with its consolidated subsidiary, the "**Group**") is a company incorporated in November 2020 and domiciled in Italy, with registered office in Milan, Via Marco Aurelio 24, and organized under the legal system of the Italian Republic.

The Group is the most advanced, extensive and complete operator of digital network infrastructures in the country. With ultra-broadband exceeding 96% of active lines, it reaches about 46% of national residential units with fiber to the home ("**FTTH**") technology.

The Group is a unique case within the European Union, representing the first example of ownership separation from the main national telecommunications operator. With total investments of 2,713 billion euros in 2025, the Group continues with its ultra-broadband strategy, with the aim of accelerating the development of the fiber optic network.

With 13,747 thousand active lines on its network, the Group is the leading operator in Italy in the fixed broadband access sector, offering operators a complete and integrated range of reliable and innovative solutions, supported by a cutting-edge and constantly evolving technological network. The Group's activities – which include access infrastructures, high-capacity networks and transport infrastructures, as well as monitoring, diagnostics, installation and maintenance support services – respond to the growing needs of the market and the search for the most suitable solution for the individual customer and guarantee the highest level of quality, safety, reliability and stability.

The establishment of FiberCop was part of a project aimed at expanding fiber optic coverage on the Italian territory. The Company, initially established by the sole shareholder TIM S.p.A. and subsequently, in March 2021, purchased by Teemo Bidco Sarl, controlled by funds managed or assisted by KKR, and Fastweb S.p.A. at 37.5% and 4.5% respectively, was the subject of a major corporate reorganization during the previous year.

On 1 July 2024, in fact, a complex transaction was completed for the transfer by TIM S.p.A. of the business unit relating to the primary fiber and copper network in FiberCop, as well as the reorganisation of the shareholding structure through the acquisition of the shareholdings held by TIM and Fastweb by Optics BidCo. The latter became the sole shareholder of the Company and was subsequently incorporated into FiberCop with accounting and tax effects from 1 July 2024 ("**Business combination**").

2. Basis of preparation

Declaration of compliance with IFRS

These consolidated financial statements, relating to the year ended 31 December 2025, have been prepared in

accordance with the international accounting standards IFRS Accounting Standards, meaning the International Accounting Standards ("**IAS**") and International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"), and the interpretations issued by the IFRS Interpretations Committee ("**IFRIC**") and the Standing Interpretations Committee ("**SIC**"), adopted by the European Union pursuant to Regulation (EC) No. 1606/2002 and in force at the end of the financial year.

Content and structure of the Consolidated Financial Statements

These consolidated financial statements represent the first consolidated annual financial statements of FiberCop S.p.A., prepared following the establishment, in May 2025, of the company FiberCop Insurance Broker S.r.l. ("**FiberCop Insurance Broker**" or "**FIB**"), operating as an insurance intermediary authorized by the Institute for the Supervision of Insurance ("**IVASS**"), established with the aim of identifying and structuring tailor-made insurance coverage, wholly owned by FiberCop S.p.A.. FiberCop Insurance Broker closes its first financial year on December 31, 2025, therefore, the comparative period presented in these consolidated financial statements coincides with the financial year ended December 31, 2024, of FiberCop S.p.A. only.

These consolidated financial statements include the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement, the statement of changes in equity and the explanatory notes (collectively referred to as the "**Consolidated Financial Statements**").

The classification criteria adopted by the Group are as follows:

- the consolidated income statement has been prepared by classifying operating costs by nature, in line with internal reporting processes and business operations;
- the consolidated statement of comprehensive income has been prepared as a separate statement, and includes, in addition to the profit or loss for the year resulting from the income statement, also the items of income and expenses that pass directly among other changes in equity attributable to transactions not carried out with the Group's shareholders;
- The consolidated statement of financial position has been prepared by classifying assets and liabilities according to the "current/non-current" method. Current items are those that are expected to be realised within 12 months of the balance sheet date or that will be sold or consumed in the Group's normal operating cycle;
- the consolidated cash flow statement has been prepared using the "indirect method", as permitted by IAS 7 – Cash Flow Statement, and presents cash flows broken down by operating, investing and financing activities;
- The statement of changes in shareholders' equity shows changes in shareholders' equity;
- The notes to the consolidated financial statements include a summary of the main accounting policies and other explanatory information.

The Consolidated Financial Statements are presented in Euro ("**€**"), which is the Group's functional and

presentation currency. All the amounts included in the tables in the following notes, unless otherwise indicated, are expressed in thousands of Euro.

The Consolidated Financial Statements have been prepared on a going concern basis and applying the historical cost method, amended, where required, for certain financial assets and liabilities (including derivative instruments), measured at fair value. Revenues and expenses are recognised on an accrual basis.

The preparation of these financial statements requires directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as to provide information on contingent liabilities. If in the future such estimates and assumptions, based on the best judgment of the directors at the date of these financial statements, differ from actual circumstances, the original estimates and assumptions will be modified accordingly during the period in which such changes occur.

These Consolidated Financial Statements were approved by the Board of Directors of FiberCop S.p.A. on 25 March 2026.

Other information

The following table shows the exchange rates applied by the Group for the translation of foreign currency amounts into Euro.

	Average for the year ended 31 December 2025	As of December 31, 2025
USD	1.130	1.175

3. Summary of the accounting policies applied

Consolidation of subsidiaries

Subsidiaries are entities over which the Group exercises control. Control is obtained when the Group has power over the investee, i.e. when it is exposed to or has rights to the variability of the subsidiary's results on the basis of its involvement with the subsidiary and has the ability to influence these results through the exercise of its power. Subsidiaries are consolidated on a line-by-line basis from the date on which control was actually acquired and are deconsolidated from the date on which control ceases. The acquisition method is used to account for business combinations by the Group (see Note 5 - *Business combinations*).

In the preparation of the Consolidated Financial Statements, payables and receivables, costs and revenues, as well as all transactions between the companies included in the scope of consolidation, are eliminated. In addition, unrealised profits and capital gains and losses deriving from transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of a lasting impairment of the transferred assets. The

accounting policies of the subsidiaries have been amended where necessary to ensure consistency with those adopted by the Group.

Scope of consolidation

FiberCop S.p.A. is the Parent Company and directly holds the total shareholding in the company FiberCop Insurance Broker S.r.l. The following table shows the Group's scope of consolidation as at 31 December 2025:

Society	Registered office	Detainee directly from	Share capital (in thousands of €)	% Group at 31 December 2025
FiberCop Insurance Broker S.r.l.	Milan	FiberCop S.p.A..	10	100%

Intangible assets with an indefinite useful life

Goodwill is not subject to amortization but is subject to impairment tests annually or more frequently, in the presence of indicators that may suggest that it may have undergone an impairment. Income and expenses arising from the disposal of an asset take into account the carrying amount of its goodwill.

In order to verify its recoverability, goodwill is allocated to cash generating units ("**Cash Generating Units**" or "**CGUs**"). The assignment takes place to those CGUs or groups of CGUs that are expected to benefit from the business combination from which the goodwill originates. The CGUs or groups of CGUs are identified at the lowest level where goodwill is monitored for internal management purposes, corresponding to the operating segments.

The Group has determined to have only one operating segment and one sector subject to disclosure, reflecting the Company's business model, providing access network services in Italy. Therefore, the Group has decided that it has only one CGU. The goodwill recorded in the consolidated financial statements as at 31 December 2025 and relates entirely to the CGU relating to the provision of access services and has been monitored and subjected to *impairment tests*.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognised at purchase or production cost, net of accumulated depreciation and amortisation and any impairment losses. Production costs include reasonably allocable direct and indirect costs incurred until the asset is ready for use. Depreciation begins when the asset is available for use and is systematically allocated in relation to the residual usability of the same, i.e. on the basis of the estimated useful life.

Licenses, trademarks and patents acquired separately are recorded at historical cost. Intangible assets with a finite useful life acquired as part of a business combination are recognised at *fair value at the acquisition date* and subsequently recognised at cost, net of cumulative depreciation and amortisation and impairment losses.

The useful life estimated by the Company for the various categories of intangible assets is shown below:

Intangible asset classes	Rates [min - max]
Licenses and trademarks	6,67% - 6,67%
Patents and software	16,67% - 50%
Customer relationship	2,7% - 2,7%

Tangible assets

Property, plant and equipment is recorded at purchase or production cost, including ancillary charges, net of accumulated depreciation and amortisation and any impairment losses. The production cost includes direct and indirect costs, for the portion reasonably attributable, incurred until the asset comes into operation. Costs incurred thereafter are capitalised or recognised as a separate asset only if they increase the future economic benefits inherent in the asset to which they refer. The carrying amount of the replaced parts is eliminated. Repair and maintenance costs are charged to the income statement for the period in which they are incurred; The most important strategic spare parts are capitalized at the time of purchase and depreciated from the moment they are installed.

The cost of tangible assets also includes future costs related to the decommissioning of assets and the restoration of sites where there is a legal or implicit obligation. The corresponding liability is recognised in a provision recognised under liabilities under provisions for risks and charges, at present value; The capitalised expense is recognised in the income statement over the useful life of the related tangible assets through the amortisation process. The estimates of decommissioning costs, discount rates and the dates on which these costs are expected to be incurred are restated annually, at each balance sheet closure.

Property, plant and equipment acquired as part of a business combination is recognised at *fair value* at the acquisition date. These assets have a defined useful life and are subsequently accounted for at cost, net of accumulated depreciation and any impairment losses.

The amortization of tangible assets is calculated on a straight-line basis, in relation to the estimated useful life and their residual value.

The average useful life estimated by the Group for the various categories of property, plant and equipment is shown below:

Tangible asset classes	Rates [min - max]
Plant and machinery	1,67% -33,33%
Land and buildings	3,03% -6,67%
Commercial and industrial equipment	20,00% -20,00%
Other tangible assets	11,11% -33,33%

The useful life of tangible assets is reviewed and updated, where necessary, at least at the end of each period: if the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is reduced to that recoverable amount.

Leased assets

Lease agreements mainly concern buildings, industrial and commercial equipment and vehicles.

The terms of contracts are negotiated individually and contain a wide range of different terms and conditions. Contracts may include both leasing and non-leasing components. The Company assigns the consideration in the contract to the leasing and non-leasing components based on their stand-alone prices. However, for leases of properties in which the Company is a lessee, the Company has decided not to separate the lease and non-lease components, treating them as a single lease component.

Lease liabilities are measured at the present value of future payments, discounted at the lessee's marginal borrowing rate ("**IBR**") as the implied interest rate of the lease is not easily determined. The IBR at the reference date is calculated taking into account the terms of the lease, geography and Group-specific rates. After the date of first recognition, the amount of lease liabilities is increased to take account of accrued interest and reduced for rental payments paid. In addition, the book value is remeasured if there is a change in the duration of the lease or in the rents.

Lease liabilities include the net present value of the following payments: (i) fixed rents (including fixed payments in substance) net of any incentives; (ii) variable rents based on an index or a rate and therefore determinable on the start date; (iii) the exercise price of the call option, if the lessee is reasonably certain to exercise it; (iv) penalties for termination, if the terms of the contract provide that the lessee may exercise this option; (v) payments due in an optional renewal period, if the Group has reasonable certainty that it will exercise such option.

The costs deriving from leases are divided between depreciation and amortization and financial charges. Lease agreements are recognised as right-of-use assets and liabilities corresponding to the date on which the asset is available for use by the Group.

The payment of the rents is divided between capital and financial charges; the latter are recognised in the income statement over the life of the lease, so as to produce a constant interest rate on the remaining balance of the liability for each period.

Right-of-use assets are recognised at cost, which includes the following: (i) the initial amount of the lease liability; (ii) any rent payments made on or before the contract commencement date less incentives received; (iii) any initial costs directly attributable to the contract; (iv) costs of restoring the site, if any.

Right-of-use assets are generally depreciated on a straight-line basis, over the shorter period between the useful life of the asset and the duration of the lease contract. Some leases contain extension and termination options, in most

cases exercisable only by the Company and not by the respective lessor. If at the end of the lease the transfer of ownership of the leased asset is envisaged or if the cost of the asset subject to the right of use already includes a purchase option whose exercise is reasonably certain, depreciation is carried out on the basis of the expected useful life of the leased asset. Right-of-use assets are subject to impairment audits.

The Group applies the provisions of IFRS 16, where the criteria and requirements set out in IFRS 16 are met, to contractual arrangements relating to cloud-based software assets and transmission frequency spectrum on fiber optic networks. This approach is functional to the highly innovative specificities of these types of contracts, which involve hardware and optical transmission infrastructures, as well as technologically advanced software.

The Group uses exemptions that allow the exclusion of contracts with a maturity equal to or less than one year (even residual from the date of first adoption of IFRS) and contracts concerning assets whose value is less than \$5,000. These costs are recognized as services, in the line of use of third-party assets.

In the statement of financial position, the Group discloses right-of-use assets under non-current assets and lease liabilities under current and non-current loans. In the income statement, interest expense on lease liabilities is a component of financial charges and is shown separately from the depreciation of right-of-use assets. The Group recognises deferred taxation on right-of-use assets and financial lease liabilities where taxable or deductible differences arise.

If the Group is a lessor counterparty, it classifies each of its "active" leases as a finance lease or an operating lease. To this end, the Group generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as financial, otherwise as operational. For operating leases, rental income is recognized on a linear basis during the lease period. For finance leases, the Group recognises a credit in an amount equal to the net investment in the lease and recognises interest income during the lease period using the effective interest rate method.

Business combinations

Business combinations are accounted for using the *acquisition method*, in accordance with IFRS 3. In particular, identifiable assets acquired, liabilities and contingent liabilities assumed are recognised at their *fair value* at the acquisition date, i.e. the date on which control is acquired (the "**Acquisition Date**"), with the exception of deferred tax assets and liabilities, assets and liabilities relating to employee benefits, leasing contracts and assets held for sale, which are recorded in accordance with the relevant accounting standards. The consideration for the acquisition is represented by the *fair value* at the acquisition date of the transferred assets, liabilities assumed and equity instruments issued for the purpose of the acquisition, and also includes the contingent consideration, i.e. that part of the consideration whose amount and disbursement are dependent on future events. Acquisition costs are recognised in the consolidated income statement when they are incurred. Goodwill is measured as the excess of the sum of the acquisition price and the amount of any minority interests already held by the acquirer, over the net *fair value* of the identifiable assets acquired and liabilities assumed. If, following the adjustment to *fair value* of the identifiable assets acquired, liabilities and contingent liabilities assumed, it results in a negative difference, the excess would be recognised in the income statement as a good-deal

acquisition gain.

In the event that the *fair value* of assets, liabilities and contingent liabilities could only be determined on a provisional basis, the business combination would be recognised using these temporary amounts. Any adjustment due to the completion of the valuation process is recognized within twelve months of the acquisition date. In the year in which the aforementioned determination is concluded, the provisionally recognised figures are adjusted retrospectively.

The purchase of shareholdings in subsidiaries and the sale of shares, which do not result in loss of control, are considered transactions between shareholders; as such, accounting effects are recognised directly in the Group's equity.

Impairment of intangible and tangible assets

Goodwill and intangible assets with an indefinite useful life are not subject to amortization but are subject to impairment tests annually or more frequently, in the presence of indicators that may suggest that they may have undergone an impairment. Other assets are subject to impairment testing whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount in which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the greater of the *fair value* of the asset net of disposal costs and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are largely independent of cash flows from other assets or groups of assets (CGUs). Non-financial assets, with the exception of goodwill, which have been subject to impairment, are examined for a possible reversal of impairment at the end of each reporting period.

Financing costs

General and specific financing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized during the period of time necessary to complete and make the asset ready for its intended use or sale. Assets that justify capitalization are assets that necessarily require a long period of time to be ready for their use or sale.

Other financing costs are accounted for as expenses over the period in which they are incurred.

Inventories

Inventories are recorded at the lower of the purchase or production cost and the net realisable value. The cost is determined using the weighted average cost method.

The cost of finished products and semi-finished products includes raw materials, direct labour costs and an appropriate proportion of variable and fixed overheads, determined on the basis of normal operating capacity. The costs of inventories purchased are determined net of refunds and discounts. The net realisable value is the estimated sale price in the normal course of the business, less the estimated costs to complete and the estimated costs required to carry out

the sale.

Provisions for impairment losses are also allocated for inventories considered obsolete or slow-turning, taking into account their expected future use and their presumed realisable value.

Cash and cash equivalents

For the purposes of presentation in the cash flow statement, cash and cash equivalents include cash, demand deposits with financial institutions, other highly liquid short-term investments with an original maturity of three months or less, which are easily convertible into known amounts of cash and are subject to an insignificant risk of changes in value, as well as bank overdrafts. Bank overdrafts are reported under financial payables in the current liabilities of the balance sheet.

Trade receivables

Trade receivables are initially recognised for the amount of the unconditional consideration, unless they contain significant financial components, in which case they are recognised at *fair value*. Subsequently, they are measured at amortised cost using the effective interest rate method, net of the provision for doubtful debts.

Assignment of receivables

The Group carries out assignments of receivables through factoring and securitisation contracts. Such assignments, in most cases, are characterized by the transfer to third parties of substantially all the risks and rewards relating to the receivables, thus meeting the requirements of IFRS 9 for the reversal of the same. Specific service contracts, by virtue of which the purchasers mandate the Company to manage the collection and management of receivables, have been stipulated to maintain the relationship between the Group and its customers.

Other financial assets

Current and non-current financial assets are generated in the normal course of business and held with the aim of collecting contractual cash flows consisting exclusively of principal and interest payments, in accordance with the criteria established by IFRS 9. Consequently, they are initially recognised at *fair value*, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method (i.e. the rate that, at initial recognition, makes the present value of expected cash flows equal to carrying amount), appropriately adjusted to take into account any impairments. through the recognition of a provision for doubtful debts for doubtful receivables.

Other financial assets are included in current assets, with the exception of those with a contractual maturity of more than twelve months from the balance sheet date, which are classified as non-current assets. Receivables with a maturity of more than twelve months and without significant financial components are presented at their present value. In accordance with IFRS 9, financial assets are classified on the basis of the business model adopted for their management and the characteristics of the contractual cash flows *Solely Payments of Principal and Interest ("SPPI") Test*. In addition to assets measured at amortised cost, financial instruments can be classified:

- at *fair value* with impact on comprehensive income (**FVOCI**) when they are managed according to a "*Hold to Collect and Sell*" model and have contractual flows consistent with the passing of the SPPI Test;
- at *fair value* with impact on the income statement (**FVTPL**), when they do not meet the criteria for measurement at amortised cost or FVOCI, including held-for-trading instruments and non-hedging derivatives.

Financial assets measured at *fair value* are accounted for initially and subsequently at *fair value*, with changes in the statement of comprehensive income or directly recognised in the income statement depending on the category to which they belong.

Impairment of financial assets

At each balance sheet date, financial assets, with the exception of those measured at *fair value*, are analysed for indicators of any impairment.

According to IFRS 9, a model for forecasting expected credit losses must be applied when assessing an *impairment*. In carrying out this assessment, the Group applies a standard simplified approach to estimating expected credit losses over the life of the company and takes into account its historical experience with credit losses, adjusted on the basis of forward-looking factors specific to the nature of the Group's receivables and the economic environment. If there is evidence of impairment, the loss is recognised in the income statement under net write-downs of financial assets and contractual assets.

Trade receivables and other assets are written down when there is no rational expectation of being recovered. Indicators that signal the absence of rational expectations of recovery include, among others, the inability of a creditor to commit to a recovery plan with the Group, and the inability to make contractual payments for a significant period of time.

For financial assets accounted for on an amortised cost basis, when an impairment loss has been identified, its value is measured as the difference between the carrying amount of the asset and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognised in the income statement.

Financial liabilities

Financial liabilities include financial payables, as well as other financial liabilities, including derivative financial instruments and liabilities relating to assets recorded under finance lease agreements, in accordance with IFRS 16. Under IFRS 9, they also include trade payables and other sundry liabilities.

Financial liabilities, with the exception of derivative financial instruments, are initially recognised at *fair value* and subsequently measured at amortised cost. Financial liabilities hedged by derivative financial instruments, designed to manage the risk of changes in cash flows (*cash flow hedges*), continue to be measured at amortised cost, in accordance with the methods established by IFRS 9 for hedge accounting.

Trade payables

Trade payables are recorded at amortised cost and do not generate interest.

Derivative financial instruments

Derivative financial instruments are used as an economic hedge only for the purpose of reducing interest rate risk and exchange rate risk. The Group hedges variable interest rate risks on its loans using interest rate swaps ("**IRS**") and mitigates exchange rate risks on bonds denominated in currencies other than the Euro using cross currency interest rate swaps ("**CCIRS**"). All derivatives are used exclusively for hedging purposes, not for speculative purposes.

Derivative instruments are initially recognised at *fair value* at the date on which the underlying contract is entered into, and are subsequently recognised at their *fair value* at the end of each reporting period. The accounting for subsequent changes in *fair value* depends on whether the derivative is designated as a hedging instrument or not and, if so, on the nature of the hedged item. The Group designates certain derivatives as hedge instruments of a specific risk associated with the cash flows of recognized assets and liabilities and expected high-probability transactions.

At the beginning of the hedging relationship, the Group documents the economic relationship between the hedging instruments and the hedged items, including the measurement of whether changes in the cash flows of hedging instruments are intended to offset changes in the cash flows of the hedged items. The Group documents its risk management objective and the strategy adopted to undertake hedging transactions.

Financial derivatives qualify for accounting as hedging instruments only when there is a formal designation and documentation of the hedging relationship at the beginning of the hedging relationship, when the hedge is expected to be highly effective, and when effectiveness can be reliably measured and is highly effective during the periods for which it was designated.

Cash flow hedging instruments

When a derivative financial instrument is designated as an instrument to hedge exposure to the variability of future cash flows of an asset or liability recognised in the balance sheet or a highly probable anticipated transaction and is likely to impact the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in the statement of comprehensive income through a specific capital buffer ("**Cash flow hedge reserve**"). The cumulative gain or loss is reclassified from the statement of comprehensive income to the income statement when the economic effects of the hedged item impact the income statement.

The gain or loss associated with a hedge or a portion of the hedge that has become ineffective is recognized in the income statement immediately within net financial income (expense). When a hedging instrument or relationship is extinguished (e.g., the derivative is sold, reaches maturity or the hedging relationship no longer qualifies as effective), but the Group expects the hedged transaction to occur in the future, the cumulative gain or loss realized at the time of settlement remains in the statement of comprehensive income and is recognized in the income statement at the time the

underlying transaction takes place. If the underlying transaction is no longer likely, the cumulative gain or loss in the statement of comprehensive income is immediately recognized in the income statement.

If accounting as a hedging instrument cannot be applied, gains or losses arising from the fair value measurement of derivative financial instruments are immediately recognised as net financial income (expense).

Employee benefits

Short-term liabilities

Payroll and wage liabilities, including non-cash benefits, annual leave and accrued sick leave that are expected to be paid in full within 12 months of the end of the period in which employees perform the relevant service, are recognized in respect of services rendered by employees until the end of the reporting period, and are measured at the amounts that are expected to be paid when the liabilities are settled. These liabilities are presented as current liabilities on the balance sheet.

Post-employment benefits Defined contribution plans

Costs arising from defined contribution plans are accounted for as expenses at the time they occur.

Defined benefit plans

The Group's net obligations are determined separately for each plan, estimating the present value of future benefits that employees have accrued in the current and previous periods, and deducting the *fair value* of any plan assets.

The present value of defined benefit obligations is measured using actuarial techniques, and benefits are attributed to periods in which the obligation to provide post-employment benefits arises, using the *projected unit credit method*. Actuarial hires are based on management's best estimates. The defined cost of benefit components are accounted for as follows:

- service costs are recognised in the income statement under personnel costs;
- the net cost of interest on the defined benefit liability is recognised in the income statement under financial expenses;
- The components of the revaluation of the net liability, which include actuarial gains and losses, are recognised immediately in other items of comprehensive income.

These revaluation components are not reclassified to the income statement in a subsequent period.

Post-employment benefits include the obligation relating to the settlement of the severance pay ("**TFR**") provided for by Italian law. The amount of severance pay to which each employee is entitled must be paid when the latter leaves the Group and is calculated on the basis of the period of employment and taxable income of each employee. Under certain

conditions, the right to consideration can be partially advanced to the employee during his or her working life. The severance indemnity scheme is classified as a defined contribution plan and the Group recognises the associated costs during the period in which the employee is employed.

Starting from 1 January 2007, the so-called "Tax Authority". The 2007 Finance Law and the related implementing decrees introduced significant changes to the rules on severance pay, including the employee's choice regarding the destination of his or her accruing severance pay. In particular, the new flows of severance pay may be directed by the worker to chosen pension forms or kept in the company. In the event of allocation to external pension schemes, the Group is only subject to the payment of a defined contribution to the chosen fund, and from that date onwards the newly accrued portions are in the nature of defined contribution plans not subject to actuarial valuation.

Provisions for risks and charges

Provisions for risks and charges are recognised only when there is a current obligation, legal or implicit, for a future outflow of economic resources as a result of past events and it is probable that such outflow will be required for the performance of the obligation. This amount represents the best estimate of the cost of extinguishing the obligation or transferring it to a third party on the closing date. The rate used when assessing the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

When the financial effect of time is significant and the bond payment dates are reliably estimated, funds are valued at the present value of the expected disbursement using a rate that reflects market conditions, the change in the cost of money over time, and the specific risk associated with the bond. The increase in the value of the fund, determined by changes in the cost of money over time, is accounted for as interest expense.

The costs that the Group expects to incur in implementing restructuring programs are recognised in the period in which the program is formally defined and a legitimate expectation arises that the restructuring will take place among the parties concerned. The funds are periodically updated to reflect changes in cost estimates, implementation times and discount rate; Updates to estimates are charged to the same item in the income statement that the provision previously recognized. The risks for which the occurrence of a liability is only possible are indicated in the appropriate information section on contingent liabilities and no allocation is made for them.

Revenue

Revenues derive mainly from the sale of services to wholesale customers, as part of the Group's ordinary activities. Revenue is recognized when control over a product or service is transferred to the customer. Revenues are measured at the transaction price, which is based on the consideration that the Group expects to receive in exchange for the transfer of the goods or services promised to the customer and excludes any sales incentives, refunds or discounts, as well as taxes paid by customers and remitted to the tax authorities.

Revenues from the provision of services are recognized over time ("**over time**") as the Group meets the

performance obligation based on the status of completion of the service, which is based on actual consumption. Delivery and activation services are identified as separate performance obligations and, therefore, the revenues deriving from these services are recognized at the time of service provision ("**point in time**"). Revenue for services rendered to wholesale customers is typically billed on a monthly basis and is due 60 days after the date of issue. Long-term trade receivables are recorded at their present value when the financial component is significant in relation to the total value of the contract. The discount rate applied also takes into account the customer's credit risk. The Group chooses not to recognize a significant financial component if the time between the transfer of goods or services to the customer and payment is one year or less.

Recognition of network engineering revenue may involve the recording of a contracted asset or liability. In particular:

- Contracted assets represent the right to consideration in exchange for goods or services that have been transferred to the customer when the right is affected by something other than the passage of time;
- contractual liabilities represent the obligation to transfer goods or services to the customer for which the Group has received (or is to receive) consideration.

The recognition of revenues deriving from insurance mediation activities takes place when the *performance obligation* is satisfied, i.e. when the insurance coverage is concluded; therefore, the commissions paid by insurance companies are accounted for as revenues in a single instalment on the date of renewal or stipulation of the insurance policy.

IRU Agreements

The Group enters into Indefeasible Rights of Use ("**IRU**") contracts as lessor, granting lessees the exclusive right to use specific telecommunications infrastructure, such as fiber optic cables, for a fixed period of time. IRU contracts are classified as finance leases or operating leases based on the valuation of the terms of each lease, in accordance with IFRS 16.

IRU contracts that transfer control to the lessee are classified as finance leases. For IRUs classified as finance leases, the Group eliminates the assets subject to such leases and recognises a lease receivable equal to the net investment in the lease at the contract start date. Revenues are recorded point-in-time. The subsequent financial income on the lease credit is recognised over the term of the contract, using the effective interest rate method.

IRU agreements that do not transfer control to the lessee are classified as operating leases. For IRUs classified as operating leases, the Group recognises the amount advanced as deferred income and the revenues are recognised over the term of the contract, recognising the financial component if significant. Property, plant and equipment under operating leases remain in the Group's statement of financial position and are depreciated over their useful life.

Revenues related to IRU maintenance services are recognised over time on a straight-line basis.

Public subsidies

Public grants are recognized at *fair value* where there is reasonable certainty that the grant will be received and that the Group will comply with all the conditions associated with it. Government contributions relating to costs are deferred and recognised in the income statement over the period necessary to match them to the costs they are intended to offset.

Grants intended to support the economic result of specific transactions are classified as operating grants and recognised in the income statement on a straight-line basis over the duration of the economic incentive period.

Taxes

Current taxes are determined based on the estimate of taxable income, in accordance with the tax regulations applicable to the Company.

Deferred tax assets and deferred tax liabilities are calculated against all differences that arise between the taxable amount of an asset or liability and its carrying amount, with the exception of goodwill at initial recognition.

Deferred tax assets, including those relating to tax losses carried forward, for the portion not offset by deferred tax liabilities, are recognised to the extent that it is probable that taxable income will be available in the future against which they can be recovered. Deferred tax assets and deferred tax liabilities are determined using the tax rates that are expected to be applicable in the periods in which the differences are realized or settled.

The Group recognizes deferred tax assets associated with deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the near future and that taxable income will be available, against which the temporary difference can be used. Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognised to the extent that it is probable that future gains will be available against which they can be used. The Group monitors unrecognised deferred tax assets at each balance sheet date and recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable income will allow the recovery of the deferred tax asset.

Current income taxes and deferred taxes are offset when they are imposed by the same taxing authority, there is a legal right to set off, and a net balance is expected to be settled. Current taxes, deferred tax assets and deferred tax liabilities are recognised in the income statement under "Income taxes", with the exception of those relating to items recognised under comprehensive income and those relating to items directly debited or credited to equity. In the latter cases, deferred tax liabilities are recognised in the statement of comprehensive income and directly in equity.

Other taxes not related to income, such as indirect taxes and taxes, are included in "Other (expenses)/income" in the income statement.

Starting from the 2025 financial year, the companies belonging to the Group have adhered to the group taxation regime of the national tax consolidation, governed by Articles 117-129 of Presidential Decree 917/1986 (TUIR) and by the Ministerial Decree of 1 March 2018, prepared by the consolidating company Optics Holdco S.r.l., which meets the control requirements provided for by art. 120 TUIR.

These consolidated financial statements reflect the impacts of adherence to the regime, which does not change the criteria for the recognition and measurement of current and deferred taxes, but does affect the liquidation dynamics of IRES and the intra-group credit/debit positions deriving from transfers of tax income.

Recently issued accounting standards

New standards and amendments effective January 1, 2025

The following new standards and amendments, effective from 1 January 2025, have been adopted by the Group.

In August 2023, the IASB published amendments to IAS 21 — *Effects of Foreign Exchange Changes: Lack of Convertibility*, to clarify how an entity should apply a consistent approach to assessing whether a currency is convertible into another currency and, when it is not, determine the exchange rate to be used and the information to be provided. The amendments are effective from 1 January 2025 or later. These changes had no impact on the Group's financial statements.

Accounting policies not yet applicable

The following new standards, amendments and interpretations, issued by the IASB, are effective as of January 1, 2026, or later:

In April 2024, the IASB published IFRS 18 — *Presentation and Disclosures in Financial Statements*, which introduces new concepts relating to: (i) the structure of the income statement, (ii) the disclosures required in the statement of financial position for certain measures of income statement reported outside an entity's financial statements (performance measures defined by the Directors), and (iii) improved aggregation and disaggregation principles that apply to the financial statements and the notes to the financial statements. The standard will come into force on 1 January 2027. The Group is assessing the impact of adopting this standard referring to the Income Statement structure and performance indicator.

In May 2024, the IASB published IFRS 19 — *Controlled Entities Without Public Responsibility: Disclosure*, which allows subsidiaries to use IFRS accounting standards with a reduction in required information, better suited to the needs of users of their financial statements. This principle also allows them to maintain a single set of accounting records to meet the needs of both their parent company and the users of their financial statements. The standard will come into force from 1 January 2027 and early application is allowed. The Group is assessing the potential impact of adopting this standard.

In May 2024, the IASB published amendments to *the Classification and Measurement of Financial Instruments*, which amended IFRS 9 — *Financial Instruments* and IFRS 7 — *Financial Instruments: Disclosures*, with the aim of reducing

divergences in the application of standards, making the requirements clearer and more consistent.

The amendments: (a) clarify the date of recognition and termination of specific financial instruments, introducing a new exception for certain financial liabilities that can be settled through electronic transfer systems, which can be eliminated before the settlement date, provided that certain criteria are met; (b) provide further clarification and guidance to determine whether a financial asset meets the principal and interest payments only ("**SPPI**") criterion; (c) introduce new information to be provided for instruments with contractual terms that may change cash flows (such as instruments linked to environmental, social and governance ("**ESG**") objectives); and (d) update the information to be provided for equity instruments designated at *fair value* in the statement of comprehensive income ("**FVOCI**"). The changes will come into force from 1 January 2026 and early application is permitted. The Group is assessing the potential impact of adopting these changes.

In July 2024, the IASB released *Annual Improvements to IFRS Accounting Standards — Volume 11* which contains amendments to five standards as a result of the IASB's draft annual improvements. The IASB uses the annual improvements process to make necessary, but not urgent, changes to IFRSs that will not be included as part of another major project. The amended standards are: IFRS 1 — *First-time adoption of International Accounting Standards*; IFRS 7 — *Financial Instruments: Disclosures* and its *IFRS 7 Implementation Guide*; IFRS 9 — *Financial Instruments*; IFRS 10 — *Consolidated Financial Statements*; and IAS 7 *Statement of Cash Flows*. The changes will come into force from 1 January 2026 or later, and early application is permitted. The Group is assessing the impact of adopting this standard referring to the Income Statement structure and to the Alternative Performance Indicator..

In December 2024, the IASB issued amendments to electricity contracts dependent on renewable sources, which made amendments to IFRS 9 — *Financial Instruments* and IFRS 7 — *Financial Instruments: Disclosures*. These changes were introduced to help companies more clearly report on the financial effects of electricity dependent on renewable sources, which are often structured as **Power Purchase Agreements ("PPAs")**, in view of the increasing prevalence of such contracts. The changes will be effective from 1 January 2026, with the possibility of early application. The Group is assessing the potential impact of adopting these amendments.

4. Estimates and material assumptions

The preparation of a financial statement requires the making of accounting estimates and assumptions, also based on subjective judgments, past experience as well as assumptions considered reasonable and realistic. This note provides an overview of the areas that involve a greater degree of judgment or complexity, as well as the items that could be significantly adjusted as a result of the different outcome with respect to the estimates and assumptions formulated. Details of each of these estimates and valuations are included in the other notes, together with the calculation criteria adopted for each item of the financial statements concerned. The underlying estimates and assumptions are subject to periodic review by the Company, or otherwise whenever circumstances require it. The effects of any changes in estimates are recognised in the income statement in the period in which the adjustment is made.

The following are briefly described the areas that require more subjectivity on the part of the Directors in the

preparation of estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data.

Recoverability of goodwill

In accordance with IAS 36 — *Impairment of Assets*, goodwill is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may have been impaired. The impairment test, which may require directors to exercise an opinion in determining expected future cash flows, is performed by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount of the CGU is the greater of its *fair value*, net of costs of sale, and its value in use. For more information, see Note 14 — *Intangible assets*.

Impairment of property, plant and equipment, intangible assets and leased assets

The Group's non-current assets (intangible assets - excluding goodwill - property, plant and equipment and rights of use) recognised in the financial statements are subject to impairment tests to determine whether impairment has occurred, which should be recognised through impairment, when the indicators suggest difficulties in recovering their carrying amount, represented by the greater of the *fair value* net of selling costs and value in use. In particular, this measurement involves determining the recoverable amount of the Company's non-current assets, which is the greater of *fair value* and value in use. The assessment of the existence of such indicators requires the Directors to exercise subjective judgments based on the information available within the Company's entities and on the market, as well as on historical experience. In addition, if it is determined that a potential impairment loss may have occurred, the Company's entities proceed to determine it using appropriate valuation techniques. The correct identification of the indicators of potential impairment of tangible and intangible assets, as well as the estimates for their determination, depend on factors that may change over time, influencing the assessments and estimates made by the Directors. The assumptions used by the Directors in this process represent the best estimate for the periods under review.

Business combinations

The recognition of business combinations involves the recognition of the assets and liabilities of the acquired company at their respective *fair values* at the acquisition date, in addition to the possible recognition of goodwill. The determination of these values takes place through a complex estimation process.

Lease liabilities

The determination of the leasing liability and the corresponding right of use is made by calculating the present value of future payments, also taking into account the reasonable certainty of the renewal of the leasing contract. Lease agreements may include renewal and termination options. In assessing whether it is reasonably certain to exercise a renewal or termination option, all relevant factors that create an economic incentive to exercise the option are considered. After the lease commencement date, the lease term is reassessed if a significant event or change occurs that affects the ability to exercise or terminate the renewal option. When the interest rate implied by a lease is not easily determined, the

Incremental Borrowing Rate ("IBR") is used to determine the present value of the expected rents. The IBR is calculated taking into account the implicit Yield to Maturity of the bonds issued by the Group.

Provision for doubtful accounts

The allowance for doubtful accounts reflects the estimated losses estimates for the loan portfolio. Provisions were made for expected losses on loans, estimated on the basis of past experience with reference to loans with similar credit risk, current and historical unpaid amounts, as well as the careful monitoring of the quality of the loan portfolio and the current and expected conditions of the economy and the reference markets.

Depreciation

The cost of property, plant and equipment and intangible assets is depreciated on a straight-line basis over the estimated useful life of the related assets. The useful economic life of these assets is determined by the Directors at the time they are acquired; It is based on historical experience for similar assets, market conditions and anticipations of future events that could impact the useful life of assets, including changes in technology. Therefore, the actual economic useful life may differ from the estimated useful life.

Provisions for risks and charges

Determining future costs related to asset decommissioning and site rehabilitation is a complex process, requiring a careful assessment of liabilities arising from decommissioning and restoration obligations. These obligations, often not fully defined by legislative provisions, administrative regulations or contractual clauses, must generally be fulfilled over a long-term time horizon.

Funds related to legal and tax disputes, as well as regulatory proceedings, result from a complex estimation process that also considers the likelihood of an unfavorable outcome.

Employee benefits

Employee benefits, in particular Italian severance pay, are determined on the basis of actuarial assumptions, changes in which could have a significant effect on these provisions.

Revenue

Revenue recognition is influenced by estimates of the amount of discounts, rebates, and returns to be recorded as a direct adjustment to revenues, as well as the methods used to determine the separate selling price of individual products or services and the determination of the contract term when renewal options are available.

Income taxes

Income taxes, both current and deferred, are determined according to a prudent interpretation of the tax

regulations in force. This process may require complex estimates in determining taxable income and the deductible and taxable temporary differences between book and tax values. In particular, deferred tax assets are recognised only to the extent that it is probable that future taxable income will be available against which it can be recovered. The assessment of the recoverability of deferred tax assets, both relating to tax losses carried forward and deductible temporary differences, is based on an estimate of future taxable income and prudent tax planning.

Derivatives

The *fair value* of derivative instruments not traded in an active market is determined using a mark-to-model valuation technique. Where there are active markets for the components of such instruments, the *fair value* is determined on the basis of the relevant market prices for each component. Assessment techniques based on techniques that use significant observable inputs are classified as Level 2 assessments, while those that rely on techniques that use significant unobservable inputs are classified as Level 3 assessments. Estimates and hires are made with the support of company departments and, where appropriate, independent specialists, and are subject to periodic review. For more information, please refer to Note 22— *Derivative financial instruments*.

Fair value estimates

Fair value is defined as the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in an ordinary transaction between market participants on the measurement date. IFRS 13 establishes a three-level hierarchy for determining *fair value*, which prioritizes the inputs used in the measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Levels include:

- Level 1, defined by observable inputs such as quoted (unadjusted) prices for identical instruments in active markets;
- level 2, defined by inputs other than quoted prices in active markets that are directly or indirectly observable as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in non-active markets;
- Level 3, defined by unobservable inputs for which little or no market data exists, necessitating the entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant unobservable drivers of value.

In some circumstances, the inputs used to measure *fair value* may fall into different levels of the *fair value* hierarchy. In such cases, the *fair value* measurement is classified entirely at the lowest level of the *fair value* hierarchy to which the input significant to the measurement falls. For more information, see Note 27 — *Fair value measurement*.

5. Business combinations

Following the Reverse Merger of Optics BidCo into FiberCop, which took place during the 2024 financial year, the

Consolidated Financial Statements of FiberCop reflect:

- the assets and liabilities of Optics BidCo at their carrying amount prior to the Reverse Merger, including the euro and US dollar ("USD") denominated notes issued by TIM and exchanged for the issuance of euro and USD denominated notes under the Business Combination; e
- FiberCop's assets and liabilities measured using the acquisition method, in accordance with the provisions of IFRS 3, which applies the fair value concepts defined in IFRS 13 and requires the recognition of acquired assets and liabilities assumed at their fair value at the acquisition date of July 1, 2024 (subject to certain exceptions).

In the financial statements for the year ended 31 December 2024, the values deriving from the business combination were provisionally recorded, pending the completion of the analyses necessary for the identification and valuation of the assets acquired and liabilities assumed.

The finalisation of the *Purchase Price Allocation* and the consequent definitive determination of the fair values of the assets acquired and the liabilities assumed did not entail material changes to the values previously recognised in the financial statements for the year ended 31 December 2024. The value of goodwill as at 31 December 2025 amounted to 6,027,592 thousand Euros, an increase of 15,513 thousand euros compared to 31 December 2024 as a result of the definitive recognition of the fair value of tangible assets.

Details of the net assets acquired and goodwill are presented below.

<i>(in thousands of €)</i>	As of 1 July 2024
Cash and cash equivalents	104,943
Trade receivables	782,716
Inventories	44,322
Rights of use over third-party assets	2,855,716
Intangible assets	6,167,895
Tangible assets	9,658,371
Current and non-current financial receivables	190,749
Other current and non-current assets	319,630
Other current and non-current liabilities	(1,714,523)
Current and non-current financial liabilities	(9,225,953)
Trade payables	(1,309,455)
Employee benefits	(297,533)
Current and non-current funds	(687,613)
Subsidiary acquired as a function of a resale	4,722
Deferred tax liabilities	(1,415,452)
Net identifiable assets acquired	5,478,545
Total consideration	11,506,137
Goodwill	6,027,592

The fair value estimates above are definitive.

As part of the transaction, a potential consideration component of up to approximately €3 billion ("**Earn-Out**") was agreed between the parties. The Earn-Out was assessed as unlikely by management as of December 31, 2025, and, therefore, equal to zero for the purposes of the total consideration.

As mentioned in the Significant Events Occurred in the Year section of this Annual Report, the Board meeting held on 24 June 2025 resolved to merge Optics PrepCo S.r.l. ("**Opctis PrepCo**"), a company under the control of the ultimate parent company Optics HoldCo, into FiberCop S.p.A. (the "Merger"). The Merger had retroactive accounting and tax effect to 1 January 2025 and statutory effect from 31 October 2025.

6. Revenues

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Service revenue	3,573,516	2,465,981
Revenue from the sale of goods	203,014	111,219
Total revenues	3,776,530	2,577,200

Revenues derive mainly from the sales of services and goods to *wholesale* customers, as part of the Company's ordinary activities. In particular, the Company generates revenues from TIM, Other **Licensed Operators** ("**OLOs**") and public administrations, which can be detailed as follows:

- pay-per-use access services to the proprietary network, both through traditional and advanced connectivity, including delivery and activation services, as well as network repair and maintenance;
- industrial co-location services in relation to suitable spaces within technical offices, suitable for hosting the network elements and equipment of wholesale customers, network engineering, energy revenues and delivery services;
- sale of IRU on the secondary network, network scraps, other minor equipment and sale of land or portions thereof, previously leased, to telecommunications sector operators.

For further information on the recognition of the Group's revenues, please refer to Note 3 - *Summary of the accounting principles applied in these Consolidated Financial Statements*.

Main customers

For the years ended 31 December 2025 and 2024, the Group's customers who contributed 10% or more of total revenues were as follows:

<i>(in %)</i>	2025	2024
Client A	52%	61%
Client B	16%	12%
Total	68%	73%

7. Costs of goods and services

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Electricity and other utilities	(366,066)	(197,069)
Maintenance costs	(121,586)	(121,290)
IT Services	(102,692)	(62,836)
Costs for access services	(85,797)	(36,320)
Costs for external professional services	(37,223)	(17,409)
Insurance premiums	(17,363)	(11,483)
Raw material purchases	(27,186)	(7,953)
Other service charges	(89,897)	(46,762)
Total costs of goods and services	(847,810)	(501,122)

The item "Other costs for services" mainly includes costs for transport, motor vehicle fees, accommodation costs and food for company employees.

8. Personnel costs

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Wages and salaries	(757,819)	(376,175)
Social contributions, pension plans and severance pay	(284,255)	(140,607)
Employee Benefits	(4,964)	(2,753)
Other personnel costs	(20,876)	(10,255)
Total	(1,067,914)	(529,790)
Capitalized labor costs	280,632	117,170
Total personnel costs	(787,282)	(412,620)

Personnel costs include charges relating to wages and salaries, social and pension contributions, severance pay and other personnel costs.

"Other personnel costs" consists mainly of administrative costs for staff and contributions to the funds for health care for employees.

The average number of employees for the financial years ended 31 December 2025, broken down by category, can be broken down as follows:

<i>(units)</i>	For the year ended 31 December	
	2025	2024
Executives	144	158
Middle managers	1,201	1,164
White and blue collars	16,931	18,466
Total	18,276	19,788

As of December 31, 2025, there were no employees in force in FiberCop Insurance Broker S.r.l.

9. Other operating (expenses)/income

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Public subsidies	56,011	18,751
Indirect taxes	(48,723)	(26,231)
Provisions for risks and charges	(24,185)	(11,474)
Contractual penalties	(13,100)	(8,556)
Contributions for telecommunications activities	(4,611)	(3,329)
Others	16,655	20,976
Total other operating (expenses)/income	(16,953)	(9,862)

Other (costs)/revenues mainly include indirect tax charges, provisions for legal and tax risks and contributions for telecommunications activities.

The item "Other" mainly includes income from compensation for damage caused by third parties, partially offset by other miscellaneous charges.

10. Restructuring and non-recurring items

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Provision for employees	(29,562)	(233,913)
Costs related to the Business Combination	(29,336)	(34,620)
Separation costs	(45,369)	(54,399)
Total restructuring and non-recurring items	(104,267)	(322,932)

The item "Provision for employees" mainly consists of costs relating to face-to-face incentives made with certain employees during the 2025 financial year.

The item "Costs related to the Business Combination" includes a provision relating to the probable costs associated with the termination of commercial agreements transferred as part of the Business Combination.

The item "Costs related to separation" mainly consists of costs relating to external services incurred in relation to the completion of the separation procedures from TIM.

11. Depreciation and amortization

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Amortization and depreciation of property, plant and equipment	(958,304)	(648,519)
Amortization of rights of use	(402,197)	(202,298)
Amortization of intangible assets	(261,555)	(116,732)
Total depreciation and amortization	(1,622,056)	(967,548)

Amortization, amounting to €1,617 million, reflect the higher value attributed to certain assets and the recognition of specific intangible assets as a result of the Business Combination, showing an increase of €468 million compared to the first half of 2024 (i.e. before Business combination), of which (i) €81 million related to customer relationship, (ii) €34 million relating to the amortisation of intangibles contributed as part of the Business Combination, (iii) €160 million relating to the amortisation of tangible fixed assets and (iv) €193 million relating to the amortisation of rights of use assets. The residual increase, equal to €177 million, refers to investments for the period.

The depreciation of tangible assets recognized during the year amounts to €5 million.

12. Financial income, financial expenses and exchange gains/(losses)

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Financial income		
Interest income	49,418	24,356
Other financial income	2,507	2,760
Total financial income	51,925	27,116
Financial charges		
Interest expense on bank loans and related hedges	(322,703)	(187,242)
Interest expense on bonds and related hedges	(356,399)	(156,036)
Interest expense on lease liabilities	(86,369)	(46,350)
Commitment fee	(16,291)	(7,853)
Fees on collateral and other interest expense	(14,124)	(121,948)
Discount charges	(42,390)	(24,371)
Total financial charges	(838,275)	(543,798)
Exchange gains/(losses)	177	(4,004)
Total net financial expenses	(786,173)	(520,686)

The following table shows the details of hedging transactions:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Release of the cash flow hedge buffer - cross currency interest rate swaps	20,802	13,864
Release of the cash flow hedge buffer - Interest rate swaps	(19,427)	13,273
Net gains/(losses) on interest rate swaps	(65)	(4,095)
Hedging transactions	1,311	23,042

The following table shows the details of net income from interest rate swaps:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Adjustment to the initial value of the hedged item	(3,606)	(4,095)
Net income/(expense) on interest rate swaps	(3,606)	(4,095)

The following table shows the breakdown of foreign exchange gains/(losses):

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Rilascio riserva di cash flow hedge - Cross currency interest rate swaps	(222,957)	61,042
Change in nominal value of USD Bond	222,957	160
Exchange rate (losses)/gain	177	(65,206)
Exchange rate losses	177	(4,004)

Foreign exchange losses mainly include the effect of the conversion of U.S. dollar ("USD") denominated bonds into Euro at the balance sheet date and the release of the cash flow hedge buffer related to foreign exchange interest rate swaps.

13. Income taxes

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Current taxes	17,457	18,272
Deferred tax assets	(210,913)	13,252
Taxes relating to previous years	18,724	119
Total income taxes	(174,732)	31,644

In 2025, current taxes include taxes relating to previous years for 18,724 thousand Euros. These higher taxes, related to the extension of the useful lives of the assets at the time of *purchase price allocation*, are fully offset by the release of the related deferred tax liabilities recorded in the financial statements as of 31 December 2024.

Deferred tax assets recognised refer to:

- temporary differences relating to property, plant and equipment, provisions and provisions, as well as other deductible temporary differences that the Group expects to be offset in subsequent periods;
- the tax loss, referred to FiberCop, carried forward generated during the year, amounting to a total of 403,009 thousand Euros.

Deferred tax assets were recognised in the financial statements only if they were deemed recoverable.

FiberCop S.p.A.

The following table shows a reconciliation between actual income taxes and theoretical income taxes, calculated on the basis of the applicable corporate tax rate in force in Italy, equal to 24.0% for the year ended December 31, 2025:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
(Loss)/Profit before tax	(380,390)	(158,910)
Theoretical tax rate (%)	24%	24%
Theoretical taxes	91,294	38,138
Tax effect on:		
Unrecognised deferred tax assets		(23,244)
Permanent differences and other differences	105,336	(19,200)
Taxes relating to previous years	(12,207)	(119)
		-
Effective taxes, excluding IRAP	184,422	(4,425)
Effective tax rate, excluding IRAP (%)	(48.5)%	2.8%
IRAP current	(18,262)	(18,273)
Permanent differences and other IRAP differences		(8,966)
Taxes relating to previous years IRAP	(6,517)	
Effective taxes	174,732	(31,664)
Effective tax rate (%)	(45.94)%	19.93%

To facilitate the understanding of the tax rate reconciliation reported above, income taxes are presented net of IRAP, which is based on an income measure defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expenses, the cost of fixed-term employees, credit losses and interest included in lease payments. The applicable IRAP rate was 4.82% for the year ended 31 December 2025.

Deferred tax assets and deferred tax liabilities

Deferred tax assets reflect the net tax effect of temporary differences between the carrying amount and taxable amount of assets and liabilities. The recognition of deferred tax assets has been adjusted appropriately to take into account the concrete possibility of realisation. The decision to recognise deferred tax assets is taken by assessing whether the conditions for their future recoverability are met, based on the most recent forecasts contained in the budgets and business plans. Deferred tax assets and liabilities are offset, as they are applied by the same tax authority and only when there is a legal right to offsetting and settlement of the net balance.

FiberCop S.p.A.

Net deferred tax assets and related changes can be broken down as follows:

<i>(in thousands of €)</i>	Balance as at 31 December 2024	Recognised in the Income Statement	Recognised in equity	Balance as at 31 December 2025
Deferred tax assets deriving from:				
Provisions for risks and charges	190,482	(40,131)	-	150,351
DTA Depreciation	208,804	28,830	-	237,634
Derivative financial instruments	27,944	16,120	(25,840)	18,224
Provision for doubtful accounts	6,492	(179)	-	6,313
Employee benefits	2,506	566	(2,303)	769
Carry-forward losses	-	96,722	-	96,722
Other deductible differences	15,660	641	-	16,301
Total deferred tax assets	451,889	102,568	(28,143)	526,314
Deferred tax liabilities deriving from:				
DTL depreciation	(1,745,395)	39,624	-	(1,705,771)
Leasing	(88,790)	68,721	-	(20,069)
Other taxable differences	(1,725)	-	-	(1,725)
Total deferred tax liabilities	(1,835,910)	108,345	-	(1,727,565)
Total net deferred tax assets	(1,384,021)	210,913	(28,143)	(1,201,251)

14. Intangible assets

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Goodwill	Customer relationship	Licensing, Trademarks & Patents	Intangible assets under construction	Total
Balance as of January 1, 2024	4,670,277	-	8,608	1,252	4,680,137
<i>Of which:</i>					-
<i>Historical Cost</i>	4,670,277	-	21,765	1,252	4,693,294
<i>Accumulated depreciation</i>	-	-	(13,157)	-	(13,157)
Business Combination	1,341,802	5,972,201	141,352	45,783	7,501,138
Investments	-	-	19,388	40,792	60,180
Divestments	-	-	-	-	-
Depreciation	-	(80,706)	(36,026)	-	(116,732)
Reclassifications	-	-	15,978	(15,978)	-
Balance as at 31 December 2024	6,012,079	5,891,495	149,300	71,849	12,124,723
<i>Of which:</i>					
<i>Historical Cost</i>	6,012,079	5,972,201	581,722	71,849	12,637,851
<i>Accumulated depreciation</i>	-	(80,706)	(432,422)	-	(513,128)
Investments	-	-	120,697	110,259	230,956
Divestments	-	-	-	(492)	(492)
Depreciation	-	(161,411)	(100,144)	-	(261,555)
Reclassifications	-	-	55,612	(55,612)	-
Other movements	15,513	-	-	(511)	15,001
Balance as at 31 December 2025	6,027,592	5,730,084	225,465	125,493	12,108,634
<i>Of which:</i>					
<i>Historical Cost</i>	6,027,592	5,972,201	729,691	125,493	12,854,977
<i>Accumulated depreciation</i>	-	(242,117)	(504,226)	-	(774,343)

The *customer relationship* was acquired as part of the Business Combination and was recognised at *fair value* as at 1 July 2024 and subsequently amortised on a straight-line basis, based on the timing of the cash flows envisaged by the contracts over their estimated useful life. For more information, please refer to Note 5

— Business combinations.

In accordance with IAS 36, the Company conducts an impairment test for goodwill annually, or more frequently if events or changes in circumstances indicate the possibility that it has been impaired.

For 2025, the recoverable amount of the CGU was determined on the basis of the calculation of the value in use, which requires the use of assumptions.

The recoverable amount of goodwill recognised is estimated, in accordance with IAS 36, using the *unlevered version of the discounted cash flow model*, in which the value in use of an asset is calculated on the basis of estimated future cash flows, discounted at an appropriate rate. Cash flow projections beyond the explicit period are extrapolated according to the *perpetuity growth method* to determine terminal value; the growth rates used ("**g rate**") are in line with

those of the markets in which the Group operates.

CGU relating to access services activities

For the purposes of the impairment test, the Company used the projections of future cash flows derived from the most recent business plan approved by the Board of Directors and updated to reflect (i) the actual results for 2025, (ii) the assumptions included in the 2026 budget, approved by the Board of Directors in December 2025, and (iii) the phasing related to the collection of PNRR grants. The explicit forecast period, consistent with the infrastructural nature of the CGU, was determined through 2040, while the terminal value was estimated by considering an appropriate level of long-term capital expenditure and a long-term growth rate applied to cash flows beyond the explicit forecast period, determined in line with market trends.

The expected future cash flows have been discounted using a post-tax *Weighted Average Cost of Capital* ("**WACC**") of 6.33% which:

- was estimated using the Capital Asset Pricing Model ("**CAPM**"), one of the generally accepted application criteria referred to in IAS 36;
- reflects current market estimates of the time value of money and the specific risks associated with the asset groups;
- it was calculated using comparative market parameters to estimate the Beta coefficient and the weighting coefficient of the equity and debt components.

The impairment test showed that the recoverable amount of the CGU exceeds its carrying amount. Therefore, no impairment losses were recognised in the year ended 31 December 2025.

The results obtained were subjected to *sensitivity analysis* for those hypotheses whose changes could reasonably lead to a substantial change in the test results. The analysis showed that the recoverable amount would be equal to the carrying amount for:

- an increase of 0.82% in the WACC (to 7.15%); or
- a growth rate in terminal value of -0.84%; or
- a reduction in gross operating margin of 11%

15. Property, plants and equipment

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Fixed assets under construction	Total
Balance as of January 1, 2024	-	4,556,171	-	47	250,264	4,806,482
<i>of which:</i>						
<i>Historical Cost</i>	-	<i>16,953,419</i>	-	<i>266</i>	<i>250,264</i>	<i>17,203,949</i>
<i>Accumulated depreciation</i>	-	<i>(12,394,233)</i>	-	<i>(219)</i>	-	<i>(12,394,452)</i>
<i>Provision for impairment</i>	-	<i>(3,015)</i>	-	-	-	<i>(3,015)</i>
Business Combination	446,822	3,539,152	16,655	31,676	264,904	4,299,209
Additions	695	615,322	2,727	580	1,311,116	1,930,440
Divestments	(55)	(6,176)	(6)	-	-	(6,237)
Amortization	(9,246)	(628,759)	(3,474)	(7,040)	-	(648,519)
Reclassifications	310	111,841	-	1,193	(113,344)	-
Other movements	-	230,214	-	-	2,946	233,160
Balance as at 31 December 2024	438,526	8,417,765	15,902	26,456	1,715,886	10,614,535
<i>of which:</i>						
<i>Historical Cost</i>	<i>1,549,619</i>	<i>55,255,407</i>	<i>311,038</i>	<i>401,432</i>	<i>1,715,886</i>	<i>59,233,382</i>
<i>Accumulated depreciation</i>	<i>(1,111,093)</i>	<i>(46,837,642)</i>	<i>(295,136)</i>	<i>(374,976)</i>	-	<i>(48,618,847)</i>
Additions	25,930	2,104,521	1,944	1,661	202,591	2,336,647
Divestments	(695)	(16,998)	(5)	-	-	(17,698)
Depreciation	(21,487)	(916,888)	(5,977)	(9,321)	-	(953,673)
Depreciation	-	--	-	-	(4,631)	(4,631)
Reclassifications	3,937	536,256	265	974	(541,432)	-
Other movements	220,146	(833)	-	-	(25,117)	194,196
Balance as of 31 December 2025	666,357	10,123,823	12,129	19,770	1,347,297	12,169,376
<i>of which:</i>						
<i>Historical Cost</i>	<i>1,899,316</i>	<i>57,606,688</i>	<i>312,957</i>	<i>402,636</i>	<i>1,347,297</i>	<i>61,568,894</i>
<i>Accumulated depreciation</i>	<i>(1,232,959)</i>	<i>(47,482,865)</i>	<i>(300,828)</i>	<i>(382,866)</i>	-	<i>(49,399,518)</i>

Investments in the period amounted to €2,337 million and mainly concerned the construction of the fiber network, both in relation to the NRRP and the autonomous plan, and extraordinary maintenance.

The item "other movements" includes the transfer of certain properties previously classified as rights of use because it was not possible to carry out the notarial deed at the time of the transfer by TIM S.p.A. due to ongoing cadastral updates. The item also includes €66 million relating to the exercise of the right of pre-emption on three previously leased properties. This amount is considered among the investments of the period.

16. Rights of use assets

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Land and buildings	Plant and machinery	Other tangible assets	Fixed assets under construction	Total
Balance as of January 1, 2024	-	222,866	233	-	223,099
<i>of which:</i>					
<i>Historical Cost</i>	-	<i>286,379</i>	<i>463</i>	-	<i>286,842</i>
<i>Accumulated depreciation</i>	-	<i>(63,513)</i>	<i>(230)</i>	-	<i>(63,743)</i>
Business Combination	2,519,336	64,037	44,166	10,294	2,637,833
Additions	43,674	6,739	2,068	9,819	62,300
Divestments	(31,550)	-	-	-	(31,550)
Depreciation	(168,520)	(22,153)	(11,624)	-	(202,297)
Other movements	(14)	-	(7)	-	(21)
Balance as at 31 December 2024	2,362,926	271,489	34,836	20,113	2,689,364
<i>of which:</i>					
<i>Historical Cost</i>	<i>3,060,936</i>	<i>480,497</i>	<i>46,404</i>	<i>20,113</i>	<i>3,607,950</i>
<i>Accumulated depreciation</i>	<i>(698,010)</i>	<i>(209,008)</i>	<i>(11,568)</i>	-	<i>(918,586)</i>
Additions	30,212	43,052	-	5,599	78,863
Leasing additions	89,274	-	69,658	-	158,932
Divestments	(15,578)	(2)	-	-	(15,579)
Depreciation	(346,044)	(28,315)	(27,838)	-	(402,197)
Reclassifications	19,122	6,555	14,219	(39,897)	-
Other movements	(220,146)	582	858	28,781	(189,926)
Balance as at 31 December 2025	1,919,767	293,361	91,733	14,596	2,319,458
<i>of which:</i>					
<i>Historical Cost</i>	<i>2,858,225</i>	<i>528,547</i>	<i>110,489</i>	<i>14,596</i>	<i>3,511,857</i>
<i>Accumulated depreciation</i>	<i>(938,458)</i>	<i>(235,185)</i>	<i>(18,756)</i>	-	<i>(1,192,399)</i>

The rights of use on land and buildings relate to the leases of buildings used both for office and industrial use (central). The rights of use relating to plant and machinery mainly consist of IRU contracts with other operators on portions of the network. The rights of use relating to other activities include the company fleet and the data center space component.

17. Current and non-current financial assets

The following table provides details of current and non-current financial assets. For more information, see Note 27 — Measurement of fair value.

	As of December 31, 2025	As of December 31, 2024

FiberCop S.p.A.

<i>(in thousands of €)</i>	Non-current financial assets	Current financial assets	Total financial assets	Non-current financial assets	Current financial assets	Total financial assets
Financial receivables for IRU	-	151,779	151,779	30,347	113,024	143,371
Loans to employees	9,333	2,886	12,219	11,031	1,971	13,002
Guarantee deposits	-	-	-	91,123	-	91,123
Other financial receivables	-	18,883	18,883	-	28,246	28,246
Total	9,333	173,548	182,881	132,501	143,241	275,742

Current and non-current financial assets mainly refer to finance leases for the transfer of IRU on infrastructure and fiber in the secondary network.

Other financial receivables mainly refer to the loan granted to Telenergia S.r.l.

The decrease in the item "escrow deposits" compared to 31 December 2024, down by 91,123 thousand Euros, is attributable to the taking out of bank guarantees, instead of the restricted current account, in favour of Infratel on the advances of the NRRP contributions of the "Italia 1 Giga" Plans transferred from TIM to FiberCop as part of the Business Combination.

The following table shows the changes for current and non-current financial assets:

<i>(in thousands of €)</i>	Financial receivables for IRU	Escrow	Loans to employees	Other financial receivables	Total
Balance as of January 1, 2024	150,278	-	100	219	150,597
Additions	57,285	91,123	-	80,000	228,408
Business Combination	42,168	-	15,049	814	58,031
Decreases	(111,368)	-	(2,866)	(60,000)	(174,234)
Other movements	5,008	-	719	7,213	12,940
Balance as at 31 December 2024	143,371	91,123	13,002	28,246	275,742
Additions	186,430	-	1,950	-	188,380
Decreases	(178,555)	(91,123)	(3,470)	(11,547)	(284,695)
Other movements	533	-	737	2,184,	3,454
Balance as at 31 December 2025	151,779	-	12,219	18,883	182,881
<i>- of which current</i>	<i>151,779</i>	-	<i>2,886</i>	<i>18,883</i>	<i>173,548</i>
<i>- of which non-current</i>	-	-	<i>9,333</i>	-	<i>9,333</i>

For the year ended 31 December 2025, "Other movements" mainly include ISTAT revaluations applied to financial receivables relating to IRUs.

18. Trade receivables

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31	
	2025	2024
Trade receivables	1,219,006	921,824
Provision for doubtful accounts	(41,419)	(36,025)
Total trade receivables	1,177,587	885,799

The following table shows the details of the provision for doubtful accounts relating to trade receivables:

<i>(in thousands of €)</i>	Provision for doubtful accounts
Balance as at 31 December 2024	(36,025)
Increments	(5,533)
Cancellation of Credit	139
Balance as at 31 December 2025	(41,419)

The Group applies the simplified approach provided for by IFRS 9, systematically measuring the allowance for doubtful accounts in an amount equal to the expected losses over the entire duration of the same. Expected losses are estimated using a write-down matrix, which takes into account the creditworthiness of the borrower, historical experience with credit defaults, as well as an analysis of the counterparty's current financial situation. That analysis is further adjusted to include factors specific to the specific counterparties, the conditions of the industry in which they operate and an assessment of both the current conditions and the outlook for the same at the reporting date. For more information, see Note 28 — *Qualitative and quantitative information on financial risks*.

19. Other current and non-current assets

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31, 2025			As of December 31, 2024		
	Other current activities	Other non-current assets	Total	Other current activities	Other non-current assets	Total
Credits from the NRRP	410,000	386,435	796,435	-	207,543	207,543
VAT and other tax credits	32,406	-	32,406	107,101	-	107,101
Advances to suppliers	18,637	-	18,637	87,200	-	87,200
Deferred income	22,486	8,240	30,726	20,636	10,332	30,968
Roadworks	23,101	-	23,101	21,432	-	21,432
Other receivables	25,669	-	25,669	10,797	-	10,797
Total	532,299	394,675	926,973	247,166	217,875	465,041

The credits from the NRRP relate to the share of the contribution accrued for the Italy 1G and 5G Backhauling projects. The recognition of these contributions in the income statement takes place at the time of entry into operation of the plants to which the contributions refer.

20. Equity

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31	
	2025	2024
Share capital	17,836	17,836
Share premium reserve	8,294,724	8,294,724
Legal reserve	3,567	2,000
Actuarial gains/(losses) reserve from defined benefit plans	(636)	(7,913)
Cash flow hedge reserve	(70,221)	(152,048)
Other reserves	(105,710)	(105,720)
(Losses)/Retained earnings	827,224	1,042,779
(Loss)/Profit for the year	(205,658)	(190,554)
Total Shareholders' Equity	8,761,126	8,901,104

Share capital

As at 31 December 2025, the Group's share capital, fully paid-up, amounted to 17,836 thousand Euros, consisting of 178,359 shares, with no par value.

The Group's shares are subject to pledge as part of the package of guarantees to support FiberCop's bank loans and bonds. These guarantees also include the commitment to assign to FiberCop any receivables deriving from intra-group loans granted by Optics HoldCo.

Cash flow hedge reserve

The cash flow hedge reserve reflects the cumulative gains and losses arising from hedging instruments designed to manage exposure to fluctuations in cash flows linked to interest rates, foreign currencies and *commodity* prices. At the balance sheet date, the cash flow hedge reserve shows a negative balance of 70,221 thousand Euros (net of the positive tax impact of 22,175 thousand Euros) showing a net loss resulting from the valuation of those hedging instruments. This reserve is attributable to (i) the portion of effectiveness accrued on hedging transactions, negative for 65,902 thousand Euros (net of the positive tax impact of 20,811 thousand Euros), (ii) the *basis spread* component implicit in *cross-currency interest rate swaps*, positive for 12,667 thousand Euros (net of the negative tax impact of 4,000 thousand Euros) and (iii) the fair value adjustment component of Commodities swap negative for 16,985 thousand Euros, net of the tax impact.

Other reserves

As at 31 December 2025 and 2024, the other reserves mainly include negative reserves relating to extraordinary transactions conducted in previous years.

The following table shows the details of the individual items of equity, broken down according to their nature, possibility of use and distributability during the year.

Nature / Description	As of December 31, 2025	Possible uses	Amount available for distribution
<i>(in thousands of €)</i>			
Share capital	17,836		
Share premium reserve (*)	8,294,724	A,B,C	8,294,724
Legal reserve	3,567	B	
Actuarial gains/(losses) reserve from defined benefit plans	(636)		
Cash flow hedge reserve	(70,221)		
(Losses)/Retained earnings	827,224	A,B,C	650,658
Other reserves	(105,710)		-
Total	8,966,784		8,945,382

Legend:

A = for capital increase

B = for loss coverage

C = for distribution to members

(*) The share premium reserve cannot be distributed to shareholders until the legal reserve has reached one fifth of the share capital, in accordance with the provisions of Article 2431 of the Italian Civil Code.

21. Current and non-current financial debt

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Bonds	Bank financing	Lease liabilities	Other financial liabilities	Total
<i>Balance as of January 1, 2025</i>	5,762,795	4,562,129	1,962,982	-	12,287,906
<i>- of which current</i>	112,021	2,799	293,676	-	408,496
<i>- of which non-current</i>	5,650,774	4,559,330	1,669,306	-	11,879,410
<i>Additions</i>	2,800,000	830,000	240,718	799	3,871,516
<i>Refunds</i>	(375,000)	-	(372,687)	-	(747,687)
<i>Exchange rate</i>	(222,957)	-	-	-	(222,957)
<i>Other movements</i>	47,835	47,963	(17,033)	-	78,766
<i>Balance as at 31 December 2025</i>	8,012,673	5,440,092	1,813,980	799	15,267,544
<i>- of which current</i>	500,590	5,414	362,557	-	869,360
<i>- of which non-current</i>	7,512,084	5,434,678	1,451,424	-	14,398,184

The increases recorded in the period refer to the issue of the new bond completed in June 2025 for 2,800,000 thousand Euros and to the *upsizes* of the Term Loan Facility made during the year for a total of 830,000 thousand Euros. In October 2025, the Company carried out the early repayment of the bond loan originally maturing in January 2026, for a total amount of 375 million euros.

"Other movements" reflects the impact of adjustments for amortised cost, accrued interest and other non-cash items. All data are presented before the effects of hedging transactions.

FiberCop S.p.A.

For further information, please refer to the following sections on bonds and bank loans held by the Group.

The following table shows current and non-current financial liabilities by maturity:

As of December 31, 2025 <i>(in thousands of €)</i>	Within 1 year	1-5 years	Over 5 years	Total
Bank financing	5,414	5,434,678	-	5,440,092
Bonds	500,590	3,582,630	3,929,454	8,012,673
Lease liabilities	362,557	921,889	529,535	1,813,981
Other financial liabilities	799	-	-	799
Total liabilities	869,360	9,939,195	4,458,989	15,267,544

Bonds

The following table shows the details of the bonds as at 31 December 2025:

Description	Currency	Nominal amount (in foreign currency)	Nominal amount (in EUR)	Interest rate (in bps)	Expiration Date	As of December 31, 2025	Of which current:
EUR May 2026	€	322,003	322,003	362	25-mag-26	327,683	327,683
EUR Oct 2027	€	507,715	507,715	237	12-ott-27	490,555	2,643
EUR Feb 2028	€	625,000	625,000	687	15-feb-28	664,713	16,113
EUR Jul 2028	€	750,000	750,000	787	31-Jul-28	823,933	24,556
EUR Jan 2029	€	500,820	500,820	162	18-gen-29	463,043	7,737
EUR Jan 2033	€	359,142	359,142	775	24-gen-33	439,232	26,003
EUR Mar 2055	€	230,000	230,000	525	17-mar-55	230,894	9,561
EUR Jun 2030	€	1,200,000	1,200,000	475	30-Jun-30	1,220,637	29,203
EUR Jun 2031	€	700,000	700,000	Euribor 3M+ 300	30-Jun-31	702,441	7,525
EUR Jun 2032	€	900,000	900,000	513	30-Jun-32	916,995	23,631
USD Nov 2033	\$	500,006	425,537	637	15-nov-33	420,555	3,391
USD Sep 2034	\$	500,001	425,533	600	30-set-34	415,925	6,383
USD Jul 2036	\$	500,000	425,532	720	18-Jul-36	443,733	13,787
USD Jun 2038	\$	500,004	425,535	772	04-Jun-38	452,335	2,373
Total			7,796,817			8,012,673	500,590

All bonds are bullet, so the principal is repaid in full at maturity. The weighted average remaining maturity of the bonds is 6 years, with an average interest rate of 554 basis points for fixed-coupon loans. All bonds are listed on the official list of the Luxembourg Stock Exchange ("**Euro MTF Market**") and are backed by guarantees.

On June 27, 2025, the Company finalized the issuance of three new bonds for a total nominal amount of €2.8 billion, divided into: (i) €1,200,000,000 of fixed-rate senior secured notes equal to 4.750% maturing in 2030; (ii) €900,000,000 of senior secured fixed-rate notes equal to 5.125% maturing in 2032 and (iii) €700,000,000 of senior secured floating rate notes maturing in 2031 and interest calculated on the 3-month EURIBOR rate increased by 3.00% per annum.

These sources will be used to feed the Group's liquidity instrumental to its business activities including investments and the possible refinancing of existing debt.

The Group mitigates the risk of exchange rate fluctuations on 100% of the bonds denominated in US Dollars using cross-currency interest rate swaps and interest rate fluctuations of 100% of floating rate bonds using interest rate swaps. For more information, please refer to the Note 22 — Derivative financial instruments.

Bank financing

The item in question, for the year ended 31 December 2025, can be broken down as follows:

Description	Currency	Nominal amount (in € thousands)	Interest rate (in bps)	Expiration Date	To 31 December 2025*	Of which current:
Term Loan Facility	€	5,372,095	Euribor 3M+ (225-350)	27 June 2029	5,291,584	5,380
Term Loan Facility	€	150,000	Euribor 3M+ (225-350)	May 28, 2030	148,508	34
Total		5,522,095			5,440,092	5,414

Description	Currency	Nominal amount (in € thousands)	Interest rate (in bps)	Expiration Date	To 31 December 2024*	Of which current:
Term Loan Facility	€	4,692,095	Euribor 3M+ (225-350)	27 June 2029	4,562,129	2,799
Total		4,692,095			4,562,129	2,799

*Such amount is also affected by the undrawn revolving credit facility (RCF) outstanding as of 31 December.

Bank loans, as at 31 December 2025, include the Term Loan Facility pursuant to a Senior Facilities Agreement, signed by Optics BidCo in June 2024 for a nominal amount of 4,692,095 thousand Euros, increased in 2025 by a nominal amount of 830 thousand Euros against three upsizes that took place in January, May and August respectively for a nominal amount of 380,000 thousand Euros, 350,000 thousand Euros and 100,000 thousand Euros.

The Term Loan Facility is bullet, i.e. the principal is repaid in full at maturity, and accrues interest on the basis of the 3-month Euribor, to which a spread is added that changes as follows: (i) Year 1: 225 bps, (ii) Year 2: 225 bps, (iii) Year 3: 275 bps, (iv) Year 4: 300 bps, and (v) Year 5: 350 bps.

The Company mitigates the risk of interest rate fluctuations on loans with variable interest rates by using interest rate swaps, the use of which is solely to hedge the risks associated with cash flows and not for speculative purposes. As of December 31, 2025, the coverage ratio is equal to a substantial portion of the exposure. For more information, please refer to Note 22 — Derivative financial instruments.

Debt covenants

The Group's bank loans are subject to a specific financial covenant, which provides for compliance with a ratio between net financial debt and Adjusted EBITDA (both calculated net of the effects deriving from the application of IFRS 16) not exceeding 9x for each 12-month period ending 30 June and 31 December. The loan agreements also include negative pledge, *paripassu*, *cross-default* and change of control clauses. The maximum ratio may be raised up to 10x in the event that the Group obtains a long-term rating of at least BBB- (or equivalent) from at least two leading *rating* agencies. Any failure to comply with the covenants could result in the obligation to repay in full the outstanding amounts, unless corrective measures are taken by the Group – for example through additional capital contributions by shareholders or third parties – within 20 working days of the expiry of the deadline for notification of the default. As of December 31, 2025, the requirements of the covenants have been met.

Lease liabilities

The Group recognises lease liabilities in relation to rights of use in accordance with IFRS 16 - Leases. As at 31 December 2025 and 31 December 2024, lease liabilities amounted to 1,813,980 thousand Euros and 1,962,982 thousand Euros, respectively.

Net financial debt ("Net Financial Debt")

The following table shows the details of the Group's Net Financial Debt:

<i>(in thousands of €)</i>	As of December 31	
	2025	2024
Cash and cash equivalents	2,591,693	996,960
Current financial assets	173,548	143,241
Cash and cash equivalents and current financial assets	2,765,240	1,140,201
Current financial liabilities	(869,360)	(408,496)
Non-current financial liabilities	(14,398,184)	(11,879,410)
Total financial liabilities	(15,267,545)	(12,287,906)
Net financial debt	(12,502,304)	(11,147,705)

22. Derivative financial instruments

The Group enters into derivative contracts as part of its risk management activities, mainly in order to hedge cash flows exposed to changes in variable interest rates and foreign exchange risks related to debt. These instruments are used exclusively for hedging purposes, in accordance with the Group's financial policy, which does not allow speculative transactions on financial instruments. Derivatives that meet the requirements of IFRS 9 for hedge accounting are accounted for according to this methodology. Changes in the fair value of derivative instruments that do not meet the criteria for hedge accounting are recognised in the income statement in the reporting period. The interest rate and currency derivatives used by the Company are over-the-counter ("OTC") instruments, traded bilaterally with market

counterparties, the fair value of which is determined on the basis of valuation techniques using market-observable parameters, such as interest rate curves and exchange rates, in accordance with level 2 of the fair value hierarchy defined by IFRS 13.

Derivatives are measured at *fair value* at each balance sheet date, using the applicable exchange rates or interest rates and yield curves observable in the market as a measurement parameter.

The table below shows details of the fair value of derivative financial instruments and the respective notional amounts hedged as of December 31, 2025.

(in thousands of €)	As of December 31, 2025			
	Positive fair value	Negative fair value	Notional covered (in €)	Notional Hedged (in foreign currency)
Cross-currency interest rate swaps	-	(169,620)	1,864,081	2,000,011
Interest rate swaps	9,387	(56,724)	4,600,000	4,600,000
Commodities swap		(22,350)	302,251	302,251
Total	9,387	(248,694)	6,766,332	6,902,262

23. Employee benefits

The following table shows the details of the item in question:

(in thousands of €)	As of December 31	
	2025	2024
Severance pay (TFR)	264,767	308,597
Total employee benefits	264,767	308,597

The item in question includes changes in the provision relating to severance indemnity:

(in thousands of €)	2025	2024
Balance as of 1 January	308,597	772
Business Combination	-	296,785
Changes in the income statement	8,849	5,232
- of which: Financial charges	-	68
- of which: Financial charges	8,849	5,164
Changes in the statement of comprehensive income	(9,580)	10,457
Benefits Paid	(43,100)	(4,649)
Balance at year-end	264,767	308,597

The following table shows the main financial assumptions used to determine the present value of the Severance pay:

As of December 31

<i>(in %)</i>	2025		2024	
	Executives	Non-Executives	Executives	Non-Executives
Discount Rate	3,37%	3,37%	2,93%	2,93%
Inflation rate	2,00%	2,00%	2,00%	2,00%
Turnover rate	0,00%-2,00%	0,00%-1,00%	0,00%-2,00%	0,00%-1,00%

In determining the liabilities for severance pay, the Group used the benchmark provided by the Italian National Institute of Statistics ("**ISTAT**") for estimates of mortality rates in Italy, broken down by age and gender.

The following table shows the sensitivity analysis of the liability for severance indemnities with respect to the change in the main actuarial assumptions:

As of December 31

<i>(in thousands of €)</i>	2025		2024	
	+ 50 pb	- 50 pb	+ 25 pb	- 25 pb
Discount Rate	(8,126)	8,528	(6,954)	7,322
Inflation rate	6,380	(6,198)	5,449	(5,282)
Turnover rate	161	(166)	(9)	10

The average duration of liabilities for severance indemnities in 2025 was 7.1 years (2024: 5.4 years).

24. Current and non-current provisions

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	Dismantling and restoration (ARO)	Staff Funds	Onerous contracts	Legal and tax risks	Other funds	Total
Balance as of January 1, 2024	127,296	-	-	1,980	-	129,276
Business Combination	496,541	17,714	19,700	316	24,756	559,027
Increases in the balance sheet and financial position	33,305	-	-	-	-	33,305
Increases in the income statement	-	222,676	-	7,546	-	230,222
Releases	-	-	-	(1,350)	-	(1,350)
Uses	(19,119)	-	-	-	-	(19,119)
Financial charges from discounting	12,132	-	-	-	-	12,132
Balance as at 31 December 2024	650,155	240,390	19,700	8,492	24,756	943,493
<i>- of which current</i>	-	49,524	-	7,116	-	56,640
<i>- of which non-current</i>	650,155	190,866	19,700	1,376	24,756	886,853
Increases in the balance sheet and financial position	7,118	-	-	-	-	7,118
Increases in the income statement	-	13,578	-	2,284	48,871	64,733
Releases	-	(4,295)	-	(1,362)	-	(5,657)
Uses	(11,309)	(8,719)	-	(1,093)	(3,593)	(24,714)
Financial charges from discounting	15,578	-	-	-	-	15,578
Other movements	-	(233,234)	-	-	-	(233,234)
Balance as at 31 December 2025	661,543	7,720	19,700	8,321	40,698	767,318
<i>- of which current</i>	62,503	7,720	-	2,988	30,818	104,029
<i>- of which non-current</i>	509,040	-	19,700	5,333	39,216	663,289

For the year ended 31 December 2025, the Company recognised provisions for an amount of 64,733 thousand Euros for: severance incentives, contractual disputes, penalties with operators and other trade agreements.

The item Other movements refers to the reclassification to debit of the provision allocated for early retirement and related employee contributions, recognised in accordance with the agreement signed with the trade unions pursuant to Article 4 of the Fornero Law, relating to employees who left during the 2025 financial year.

The "Other provisions" include an accrual recognised during the period for the estimated liability relating to the

termination of commercial agreements transferred as part of the Business Combination.

25. Trade payables

As at 31 December 2025, trade payables amounted to 2,362,610 thousand Euros. Trade payables are interest-free and are normally settled by the Group within the payment terms provided, including those under *the Group's* reverse factoring agreement.

The Group has signed reverse factoring contracts, offered to certain strategic suppliers. Accession to these agreements is voluntary. Suppliers who join the Group can obtain advance payment of invoices issued to the Group through an external financial institution. In this case, suppliers are required to pay this institution a commission and a financing cost. The Group does not intervene in the financial conditions agreed between the suppliers and the external financial institution, nor does it incur any costs for this purpose.

Since these agreements do not change the original terms of trade payables, because the terms of payment with suppliers have not been renegotiated at the same time as those agreements, and because the financial relationship involves only external suppliers and financial institutions without the Group's involvement, the payment obligations arising from these agreements are classified as trade payables, as they maintain the same nature and function. The Group extinguishes the original invoice by making payment to the financial institution, in line with the original due date of the invoice. This classification remains unchanged even if, through separate agreements between the supplier and the financial institution, in which the Group is in no way involved, the supplier requests to receive the amounts due from the financial institution in advance.

The following table shows the details of the trade payables included in reverse factoring contracts:

<i>(in thousands of €)</i>	As of December 31, 2025
Trade payables included in <i>reverse factoring contracts</i>	235,792
<i>Which suppliers have received payment for</i>	228,859

26. Other current and non-current liabilities

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	As of December 31, 2025			As of December 31, 2024		
	Other current liabilities	Other non-current liabilities	Total	Other current liabilities	Other non-current liabilities	Total
Public subsidies	123,000	1,530,552	1,653,552	6,672	1,102,759	1,109,431
Advances	162,453	135,381	297,834	97,667	255,672	353,339
Deferred income	147,404	201,897	349,301	153,134	191,324	344,458
Payables to social security institutions	59,184	-	59,184	45,834	-	45,834
Payables to employees	152,014	109,692	261,704	38,447	-	38,447
Tax debts	36,500	-	36,500	28,405	-	28,405
Other payables	36,941	-	36,941	138,462	-	138,462
Total	717,496	1,977,522	2,695,018	508,621	1,549,755	2,058,376

The item "Public contributions" includes, in addition to the deferral of the contributions recognised in the income statement over the duration of the economic incentive period to which they refer, the residual balance of Euro 693,922 thousand of the advance received by Infratel on the contributions of the two NRRP calls for tenders for which FiberCop is the assignee, net of the amounts recovered progressively at each report, on the basis of the agreed modalities.

As at 31 December 2025, the "Other payables" line item mainly relates to amounts payable in respect of insurance coverage and supplementary healthcare benefits.

27. Fair value measurement

The following table shows the Group's financial assets and liabilities as at 31 December 2025, measured and recognised at *fair value* on a recurring basis:

<i>(in thousands of €)</i>	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	9,387	-	9,387
Financial liabilities				
Derivative financial instruments	-	248,694	-	248,694

Assets and liabilities for derivative financial instruments reflect their *fair value* at the reporting date. The Group did not measure additional financial assets or liabilities at *fair value* on a non-recurring basis as of December 31, 2025.

As at 31 December 2025, the Group measured derivative financial instruments in accordance with Level 2 of the *fair value* hierarchy, mainly based on data provided by pricing service providers (non-active markets). These derivatives include *cross-currency interest rate swaps*, which are used to hedge currency fluctuations on US dollar-denominated

bonds, and *interest rate swaps*, which are used to mitigate changes in Euribor on bank loans. Fair *value* was determined using the *hypothetical derivative method* ("HDM"), which compares the change in the *fair value* or cash flows of the hedging instrument with the change in the *fair value* or cash flows of a hypothetical derivative that models the hedged risk. The effectiveness of the coverage was quantitatively assessed by regression analysis. Differences between changes in the *fair value* of real and hypothetical derivatives are recognised in the cash flow hedge reserve in equity or as ineffectiveness in the income statement. Credit risk is constantly monitored. Coverage relationships were rated as highly effective.

Categories of financial assets and liabilities according to IFRS 7

(in thousands of €)	As of December 31, 2025				As of December 31, 2024		
	FVOCI	FVTPL	Amortized cost	Total	FVOCI	Amortized cost	Total
Financial assets							
Cash and cash equivalents	-		2,591,692	2,591,692	-	996,960	996,960
Trade receivables	-		1,177,586	1,177,586	-	885,799	885,799
Current and non-current financial assets	9,387	651	163,510	173,548	-	275,742	275,742
Contractual activities	-		796,434	796,434	-	207,543	207,543
Other current and non-current assets	-		18,637	18,637	-	87,200	87,200
Total financial assets	9,337	651	4,757,988	4,767,936	-	2,453,244	2,453,244
Financial liabilities							
Current and non-current financial liabilities	-		15,267,544	15,267,544	-	12,287,906	12,287,906
Trade payables	-		2,362,610	2,362,610	-	2,138,902	2,138,902
Derivative financial instruments	248,694		-	248,694	116,434		116,434
Public subsidies	-		1,653,552	1,653,552	-	1,109,431	1,109,431
Total financial liabilities	248,694	-	19,283,706	19,532,670	116,434	15,536,239	15,652,673

The carrying amount of cash and cash equivalents, financial assets and trade receivables, net of allowances for doubtful accounts in accordance with IFRS 9, approximates their estimated realisable value and their *fair value*. Lease liabilities are initially measured at present value and then measured at amortised cost, while all other financial liabilities are measured at amortised cost, which approximates their *fair value*.

As at 31 December 2025, the Group recognised among Cash and cash equivalents instruments for the use of liquidity in securities that comply with the requirements of IAS 7 *Statement of Cash Flows*, being highly liquidity, readily convertible financial investments subject to an insignificant risk of change in value. These instruments are classified **as FVTPLs** because they do not meet the requirements for amortised cost measurement or FVOCI. For more information, please refer to *Note 3 Summary of the Physical Accounting Principles Applied*.

28. Qualitative and quantitative information on financial risks

The Group's activities are exposed to the following risks:

- market risk, mainly related to foreign currency exchange rates and interest rates;
- liquidity risk, relating to the availability of funds and access to credit, where necessary, and to financial instruments in general;
- credit risk, relating to the non-payment by counterparties of the amounts due or the non-fulfilment of contractual obligations.

These risks could have a material impact on the Group's financial position, results of operations and cash flows. To manage these exposures, the Group identifies and closely monitors these risks, in order to promptly detect potential negative effects and take mitigation measures. These activities are mainly managed through the Group's operating and financial activities and, if necessary, through the stipulation of derivative financial instrument contracts.

Exchange rate risk

The Group is exposed to foreign exchange risk with regard to its bonds denominated in USD. To manage this risk, the Group's policy provides for the hedging of currency exposure relating to financial liabilities. Although such hedges are designed to mitigate the risk of fluctuations in exchange rates, the possibility that the Company may be adversely affected by adverse changes in exchange rates cannot be completely excluded. An appreciation or depreciation of the euro against the currencies of some of the countries in which the Company invests could positively or negatively affect the Company's operating result or overall financial position. As of December 31, 2025, the Company has an original exposure in USD to the principal and interest of USD bonds issued during the exchange of TIM bonds (for more information, please refer to the paragraph "*Group Balance Sheet and Financial Performance - Bonds*"). *This risk has been covered from the outset and for the total of its value (both principal and interest) through cross-currency interest rate swaps, executed with leading banking counterparties of international standing.*

Interest rate risk

The Group is also exposed to interest rate risk on the portion of its debt indexed to floating rates. The decision to maintain a certain debt structure with fixed and floating rates aims to minimise the negative impact of interest paid and is partially achieved through the use of *interest rate swaps*, through which floating-rate liabilities are converted into fixed-rate instruments. The use of *interest rate swaps* is solely for the purpose of hedging the interest rate risks associated with cash flows and not for trading or speculative purposes.

As of December 31, 2025, the coverage ratio is a significant part, a large majority of its value. Any changes in interest rates that are not adequately hedged by derivatives could affect the economic profile of the Company's floating-rate financial liabilities, with possible negative impacts on results of operations and cash flows.

For the year ended 31 December 2025, a 100 basis point increase in interest rates on floating-rate loans not covered

by interest rate swaps would have resulted in an increase in pre-tax loss of 9,221 thousand Euros.

Credit risk

Credit risk is the risk that a counterparty will default on its obligations relating to a financial instrument or commercial contract, resulting in a financial loss. The Group is exposed to credit risk arising from its operating activities, mainly for trade receivables, and from its own financial activities, such as cash and cash equivalents in bank accounts or deposits with banks and financial institutions. At the date of each financial statement, an analysis is carried out on the need for a write-down of trade receivables in accordance with the requirements established by IFRS 9. The maximum exposure to credit risk at the reporting date is equal to the carrying amount of trade receivables and other financial receivables.

Trade receivables and other financial receivables are mainly concentrated among a small number of key customers, increasing the potential impact of a default by those customers. As at 31 December 2025, the amount of financial assets deemed to be uncertain recoverable is not significant and is covered by the provision for doubtful debts.

The following table shows the maturity of trade receivables and other financial receivables:

As of December 31, 2025	To expire	Expired in 1-90 days	Expired in 91-180 days	Expired in 181-365 days	Expired for more than 365 days	Total
Gross receivables	1,212,372	37,352	20,792	70,561	60,810	1,401,887
Provision for doubtful accounts	(4,980)	(855)	(1,870)	(8,471)	(25,243)	(41,419)

Liquidity risk

Liquidity risk is the risk that financial resources are not sufficient to meet financial and commercial obligations according to the established terms and deadlines. The Group monitors this risk through specific planning activities, in order to maintain a balance between financing requirements and their use.

In order to mitigate liquidity risk, the Company aims to maintain an adequate level of financial flexibility in terms of cash and available credit facilities. In particular, the Company has a *revolving credit facility (RCF)* of 2,120 million euros, of which 2,020 with maturity in June 2029 and 100 million with maturity in December 2030 not fully unused as of December 31, 2025, which allows it to cover refinancing needs well beyond the next 12-18 months.

FiberCop S.p.A.

The following table shows the expected cash flows in future years relating to financial liabilities:

As of December 31, 2025	Within 1 year	1-5 years	Over 5 years	Total cash flow Contractual*	Value in the balance sheet
<i>(in thousands of €)</i>					
Bonds	756,271	4,979,539	5,005,860	10,741,670	8,012,673
Bank loans	252,992	6,252,064	-	6,505,056	5,440,092
Lease liabilities	432,422	1,087,252	592,214	2,114,888	1,813,981
Derivative financial instruments	-	69,686	169,621	239,307	239,307
Trade payables	2,362,610	-	-	2,362,610	2,362,610
Total	3,803,463	13,475,793	5,767,695	21,962,699,	17,867,831

() Contractual cash flow includes interest on principal and excludes hedging effects.*

As of December 31, 2024	Within 1 year	1-5 years	Over 5 years	Total cash flow Contractual*	Value in the balance sheet
<i>(in thousands of €)</i>					
Bonds	294,420	4,129,855	3,765,357	8,189,632	5,762,795
Bank loans	236,959	5,640,806	-	5,877,765	4,562,129
Lease liabilities	375,413	1,130,425	842,994	2,348,832	1,962,982
Derivative financial instruments	-	87,814	28,620	116,434	116,434
Trade payables	2,138,902	-	-	2,138,902	2,138,902
Total	3,045,694	10,988,900	4,636,971	18,671,565	14,543,242

() Contractual cash flow includes interest on principal and excludes hedging effects.*

In order to mitigate liquidity risk, the Group aims to maintain an adequate level of financial flexibility, in terms of cash and restricted credit lines, which allow it to meet refinancing needs for the next 12-18 months.

As of December 31, 2025 and December 31, 2024, the Group holds cash and cash equivalents of euro 2,591 million and euro 997 million respectively to meet short-term liabilities.

Details of the restricted credit lines available to the Group as of December 31, 2025 are as follows:

<i>(in thousands of €)</i>	Currency	Deadline	As of December 31, 2025		As of December 31, 2024	
			Arrangement	Picked up	Arrangement	Picked up
Revolving Credit facility (RCF)	€	27-Jun-29	2,020,000	-	2.000.000	-
	€	31-Dec-30	100,000	-	-	-
Total			2.120.000	-	2,000,000	-

The RCF accrues interest based on a base rate, determined according to the currency in which the loan is denominated, to which is added a variable spread that fluctuates over time between 225 bps and 350 bps.

29. Transactions with related parties

Transactions with related parties, unless provided for by specific regulatory conditions, are settled at market

conditions.

Their implementation takes place in compliance with the internal procedure approved on 24 April 2025 by the Board of Directors of the company Optics Holdco S.r.l. This procedure sets out the procedural rules applicable to Related Party Transactions carried out by Optics Holdco S.r.l. and its subsidiaries with regard to (i) the approval process and (ii) the process of consolidation of information with related parties and the related disclosure in the financial statements in accordance with IAS 24.

Group related parties are all entities and individuals, including their immediate family members, who are capable of exercising control, joint control or significant influence over the Group and its subsidiaries. Related parties include the Group's shareholders and subsidiaries. Related parties also include members of the Board of Directors, executives with strategic responsibilities, as well as their family members and the entities they control, to the extent that they are able to exercise control, joint control or significant influence over the Group.

The Group believes that all relationships with related parties are essentially regulated on the basis of normal market conditions, considering the characteristics of the goods or services involved.

The following tables detail the transactions with related parties relating to the years ended December 31, 2025 and 2024:

FiberCop S.p.A.

For the year ended 31 December

<i>(in thousands of €)</i>	2025					2024				
	Revenue	Costs for raw materials and services*	Personnel costs	Other operating income/(expenses)	Net financial expenses	Revenue	Costs for raw materials and services*	Personnel costs	Other operating income/(expenses)	Net financial expenses
Shareholders of the Company, companies controlled by the shareholder of the company or its shareholders and other related parties										
Shareholders of the parent company ⁽¹⁾	-	(15,540)	-	-	-	-	(7,400)	-	-	-
Optics HoldCo S.r.l.	-	-	-	5,785	-	-	-	-	-	-
EnerCop Group ⁽²⁾	-	(320,254)	-	8,605	2,358	528	(153,885)	-	501	2,089
BeeXact Group ⁽³⁾	-	(3,134)	-	4,674	-	-	-	-	-	-
Others ⁽⁴⁾	-	-	-	-	-	-	-	(201)	-	-
TIM ⁽⁴⁾	-	-	-	-	-	600,256	(86,996)	(5)	(4,505)	(83.412)
Total transactions with related parties	-	(338,928)	-	19,064	2,358	600,784	(248,281)	(206)	(4,004)	(81.323)
Total for the Group	3,776,530	(952,076)	(787,282)	(16,953)	(786,350)	2,577,200	(824,054)	(412,620)	(9,862)	(516.682)

*Also includes restructuring charges and non-recurring transactions

FiberCop S.p.A.

As of December 31

<i>(in thousands of €)</i>	2025				2024			
	Non-current assets	Current Assets	Non-current liabilities	Current liabilities	Non-current assets	Current Assets	Non-current liabilities	Current liabilities
Shareholders of the company, companies controlled by the shareholder of the company or its shareholders and other related parties								
Shareholders of the parent company ⁽¹⁾	-	-	-	7,770	-	-	-	7,400
Optics HoldCo S.r.l.	-	6,791	-	9,060	-	-	-	-
EnerCop Group ⁽²⁾	-	22,089	-	36,106	-	27,585	-	50,567
BeeXact Group ⁽³⁾	36,395	8,489	-	3,736	-	-	-	-
Others ⁽⁴⁾	-	-	-	-	-	-	-	127
TIM ⁽⁴⁾	-	-	-	-	213,371	522,636	2,348,447	1,003,032
Total transactions with related parties	36,395	37,369	-	56,672	213,371	550,221	2,348,447	959,992
Total for the Group	27,010,864	4,575,727	18,753,708	4,071,756	25,778,998	2,359,835	16,125,070	3,112,659

(1) Refers to general management consulting services.

(2) Refers to transactions with companies belonging to the EnerCop Group, such as EnerCop S.r.l.) Telenergia S.r.l., AssetCop S.p.A. and SolarCop S.p.A., wholly owned by the Company's sole shareholder, which provide services and solutions for energy efficiency and renewable energy, mainly to Telenergia S.r.l. for energy purchase costs of approximately €306 million and related trade payables of €32,4 million as at 31 December 2025.

(3) Refers to transactions with companies belonging to the BeeXact Group, such as BeeXact B.V., BeeXact Italy S.r.l. and Connecting Poject S.r.l.), which joined the HoldCo Group during 2025, mainly relating to network services.

(4) Includes transactions with TIM and its subsidiaries or shareholders, prior to the completion of the Business Combination, therefore relating to the first half of 2024.

Key Management

Relations with the Directors mainly concern the remuneration of executives with strategic responsibilities and the remuneration of the members of the Board of Directors. The remuneration of executives and members of the Board of Directors for the year ended 31 December 2025 amounted to 18,467 thousand Euros.

30. Other information

Commitments and guarantees

The guarantees provided by the Company to third parties amount to a total of €1,771 million, provided by financial institutions or insurance companies, to guarantee the correct fulfilment of contractual obligations. The main guarantees are given below:

- insurance guarantees, mainly referring to performance bonds provided by FiberCop in accordance with the provisions of contracts with Public Administrations, for an amount of €472 million;
- bank guarantees relating to real estate contracts and for the purchase of energy, for an amount of €190 million;
- guarantees issued to Infratel for advances on contributions under the National Recovery and Resilience Plan ("NRRP"), which represented a total exposure of €551 million for insurance guarantees relating to the "Italia 1 Giga" (lots 3, 4, 11, 14 and 15) and "Italia 5G Backhauling" (lots 1, 2, 3, 4, 5 and 6) plans and a total exposure of €300 million for bank guarantees relating to the "Italia 1 Giga" plans (lots 1 and 5);
- bank guarantees, issued in favor of INPS in support of the application of Article 4 of Law No. 92 of 28 June 2012 and Art. 41, paragraph 5bis, of Legislative Decree no. 148/2015 for the incentive to leave workers in possession of the required requirements, for an amount of 258 million euros.

Litigation

The Group has ongoing disputes, intangible both individually and as a whole, relating to surface rights with reference to the network. Therefore, a special provision has been recognized to cover disputes for which the outcome of a loss is considered probable.

AGCM Proceedings – 1874

As mentioned in the Management Report, to which reference is made, the 1874 proceeding initiated at the end of 2024 by the Italian Competition Authority (ACGM) against FiberCop and TIM was successfully concluded.

European Commission Proceedings - M. 12099

On May 30, 2024, the European Commission cleared the acquisition of NetCo (FiberCop) by KKR without conditions, concluding that the transaction did not raise competition concerns in the European Economic Area ("EEA").

In particular, the Commission examined the impact of the transaction on the wholesale market for broadband access services in Italy and concluded that the merged entity would not be able to relax the conditions

FiberCop S.p.A.

for access to passive services, or to terminate such access, also taking into account the existence of certain access agreements concluded by FiberCop with several operators.

On 24 July 2025, the European Commission initiated against the shareholder KKR & Co.Inc., as the ultimate controlling entity of the controlling shareholders of FiberCop ("KKR"), a misleading information proceeding to assess whether KKR has provided incorrect information regarding the aforementioned access agreements. FiberCop, which is not a party to the proceedings, has provided the competent authorities with the requested information.

Government Grants - Information pursuant to Article 1, paragraph 125, of Law No. 124 of 4 August 2017

Under Italian Law 124/2017, companies are required to disclose information regarding grants, contributions, paid assignments and any economic benefits received from Italian public administrations. In this regard, the following table shows the disbursements received by FiberCop S.p.A. during 2025.

(in €)

Expenditure Entity	Area of intervention	Development Plan	Amount received in 2025
INFRADEL	Implementation of network infrastructure (NRRP)	Italy 1 Giga	15,244,827
INFRADEL	Implementation of network infrastructure (NRRP)	5G Backhaul	2,662,150
Total			17,906,977

Remuneration of Directors and Statutory Auditors

The following table shows the details of the item in question:

<i>(in thousands of €)</i>	For the year ended 31 December	
	2025	2024
Administrators	378	757
Statutory Auditors	260	164
Total	638	921

Audit fees

The following table shows the fees paid to EY S.p.A. for the audit of the Consolidated Financial Statements and other auditing and verification services:

<i>(in thousands of €)</i>	2025	2024
Audit of the Financial Statements	973	1,335
Limited Audit of the Sustainability Report	90	-
Audit of the Consolidated Financial Statements	25	-
Audit of the financial statements of the subsidiary	20	-
Other services	657	840
Total	1,765	2,175

The other services for the year 2025 mainly include the audit of the interim financial statements and other activities aimed at the bond issue that took place during the first half of 2025.

31. Subsequent events

The Group valued subsequent events up to 25 March 2026, the date on which the Consolidated Financial Statements were approved by the Board of Directors, and has identified the following events as non-adjustments as defined by IAS 10:

- Agreement ex. Art. 4 Law 92/2012*

On 29 January 2026, an agreement was signed between FiberCop and the Trade Unions ex. Art. 4, Law 92/2012, to encourage the exodus of people in possession of the required requirements, up to a maximum of 1,800 people;
- Closing of AGCM Proceeding - 1874*

On 23 February 2026, the investigation proceedings initiated in December 2024 by the AGCM against FiberCop and TIM, aimed to ascertain potential violations of Article 101 TFEU in connection with the Master Service Agreement, were successfully concluded. As a result, the commitments addressing the critical issues identified at the initiation stage of the proceeding were accepted and made binding. For further details, please refer to the Management Report – Competitive environment and regulatory framework in this document.
- “Wholesale only” qualification*

On 16 March, AGCOM published Resolution No. 58/26/CONS, which defines the new regulatory obligations imposed on FiberCop as a “wholesale-only” operator. Refer to Management report – Competitive environment and regulatory framework section for further information.
- Redemption of Senior Bonds*

On 24 February 2026, the Company completed the early redemption of all senior secured bonds with a rate of 3.625% for a total amount of €322 million, issued in 2024 by Optics Bidco S.p.A., currently FiberCop S.p.A..

FiberCop S.p.A.

- *Financial Operations*

On February 26th 2026, FiberCop launched an amend and extend proposal on its existing senior bank facilities (across term loans and revolving credit facilities totaling more than euro 7,642 million), proposing an extension of the maturity from 2029 to 2031 and the waiver of the step-up mechanism on the margin applied over EURIBOR. As at the date hereof, lenders representing over 75% of the overall commitment have so far irrevocably to the proposal.

There are no other relevant events to report.

Rome, 25 March 2026

For the Board of Directors
The Chairman and Chief Executive Officer
Signed by: Massimo Sarmi

AUDITORS' REPORT



FiberCop S.p.A.

Consolidated Financial Statements as at December 31, 2025

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010



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FiberCop S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Sole Shareholder of
FiberCop S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of FiberCop Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated income statement, the consolidated statement of comprehensive income/(loss), the consolidated cash flow statement and statement of changes in consolidated shareholder's equity for the year then ended, and the notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

EY S.p.A.

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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi

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The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company FiberCop S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Shape the future
with confidence

FiberCop S.p.A.

Report on compliance with other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010

The Directors of FiberCop S.p.A. are responsible for the preparation of the Management Report of FiberCop Group as at December 31, 2025, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Management Report, with the consolidated financial statements;
- express an opinion on the compliance of the Management Report with the applicable laws and regulations;
- issue a statement on any material misstatements in the Management Report.

In our opinion, the Management Report is consistent with the consolidated financial statements of FiberCop Group as at December 31, 2025.

Furthermore, in our opinion, the Management Report complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Turin, March 27, 2026

EY S.p.A.

Signed by: Ettore Abate, Auditor

This report has been translated into the English language solely for the convenience of international readers.