MEXEDIA

Consolidated Financial Report

as at 31 December 2024

INDEX

Dear shareholders,

The year 2024 was a complex and transitional year for our Group, not only because of the economic and financial results, which were significantly reduced in the past financial year due to planned significant restructuring of the financing model of the business, but also because of substantial reorganisation processes of investee companies.

The year 2024 was characterised by the contribution of the subsidiary Mexedia Dac Ltd to Telvantis in exchange for 75% of the value of the US-listed company.

While the company Mexedia Spa SB was able to maintain a level of turnover in line with last year's, the result of the investee companies brings a significant, albeit expected, loss that is covered by the parent company's current assets.

The signing of a Loi for the purchase of the Maltese company Fortytwo, will consolidate our company's business in the technology of excellence in the messaging world. This will enable it to play a leading game in the messaging world in 2025, with much higher margins than pure voice traffic.

A strategy that will take shape as the company grows over the next few years, aiming at a business model increasingly capable of delivering value, for customers and all stakeholders, especially our investors who are putting their trust in the commitment of our management and professional team.

In thanking our entire staff, the management for the great work they have done, and the Board of Directors, who have supported us throughout this year, I am pleased to present the following annual financial report of the Group.

Elio Cosimo Catania

Chairman of the Board of Directors

Mexedia S.p.A. Società Benefit

Company data

Mexedia S.p.A. Società Benefit

Authorised, subscribed and paid-up share capital: euro 57,000,000

Tax code and registration number in the Company Register of Rome: 15997541006

VAT No. 15997541006

Rome REA registration no. RM-1627922

Listed in Paris on Euronext Growth Paris from September 2021 (ISIN: IT0005450819)

Legal and Administrative Headquarters:

Via di Affogalasino, 105

00148 Rome (Rm) - Italy

Tel.: +39 0694502581

Pec: mexediaspa@legalmail.it

Web address: https://mexedia.com/it/

Consolidated Financial Report

The parent company Mexedia S.p.A. Società Benefit is a legal entity organised under the laws of the Italian Republic and, as permitted by Article 40, paragraph *2-bis* of Legislative Decree 127/91, prepares the Report on Operations, for both the separate financial statements and the consolidated financial statements, in a single document. The Report must be read in conjunction with the Financial Statements and the Notes thereto, which are integral parts of the Consolidated and Separate Financial Statements.

It should be pointed out that, on the one hand, the criteria for measuring company performance (Revenues, EBITDA, EBIT) represent a key to interpreting results that is not envisaged by IAS/IFRS and, on the other hand, should not be considered as replacing those outlined by the same principles. In particular, with specific reference to EBITDA, which, as mentioned, is not identified as an accounting measure under IAS/IFRS, the quantitative determination of the same may not be unambiguous.

EBITDA is a measure used by the companỳs management to monitor and evaluate its operating performance. Management believes that EBITDA is an important measure of the company's operating performance, as it is not affected by tax effects, the amount and characteristics of capital employed, and related depreciation policies.

This Consolidated and Separate Financial Report as at 31 December 2024 has been prepared in accordance with IAS-IFRS.

This report provides the most significant information on the economic and financial situation and management of Mexedia S.p.A. Società Benefit and its Group.

Amounts in the schedules, tables and notes are expressed in thousands of euro.

Corporate bodies and other offices

Board of Directors

Catania Elio Cosimo	President
Taddeo Orlando	Managing Director
Bona Paolo	Managing Director Appointments and Remuneration Committee Control and Risk Committee Related Parties Committee Innovation and Sustainability Committee
Macrì Letizia	Director Appointments and Remuneration Committee Control and Risk Committee Related Parties Committee Innovation and Sustainability Committee
Giovanni Benini	Director Appointments and Remuneration Committee Control and Risk Committee Related Parties Committee Innovation and Sustainability Committee

Board of Auditors

Granata Ulderico	President
Argentino Pierfrancesco	Standing Auditor
Di Natale Stefano	Standing Auditor
Agnelli Cinzia	Alternate Auditor
Giulianelli Giorgio	Alternate Auditor

Auditors

AudireVi Spa	Auditor

Other positions

Antonio Demitry	Supervisory Board

Board of Directors

The Shareholders' Meeting of 12 January 2021, pursuant to Art. 15 of the Articles of Association, set the number of members of the Board of Directors at five and the term of office at three financial years. The Shareholders' Meeting held on 05 June 2024, pursuant to Article 15 of the Articles of Association, set the number of members of the Board of Directors at five, and the term of office at three financial years - i.e. expiring on the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2026. The current Board of Directors appointed on 05 June 2024 is composed as follows: Elio Cosimo Catania (Chairman of the Board of Directors), Orlando Taddeo (Managing Director), Paolo Bona (Managing Director), Letizia Macrì (Director) and Giovanni Benini (Director).

Internal Committees

Pursuant to Article 2381 of the Italian Civil Code and Article 20 of the Company's Articles of Association, the Company's Board of Directors, in its meeting of 10 February 2021, resolved to set up the following endoconsiliar Committees effective as of the date of the Company's listing: Appointments Committee, Remuneration Committee, Risk and Sustainability Control Committee, Related Parties Committee. On 29 September 2022, following the transformation of Mexedia S.p.a. into a Benefit Company, the Board of Directors resolved on a revision of the Committees with the establishment of a new "Innovation and Sustainability" Committee in charge of the development and implementation of the company's benefit purpose, and consequently eliminated the reference to "sustainability" in the Risk Committee. It also merged the Nomination Committee and the Remuneration Committee into a single 'Remuneration and Nomination' Committee. At the Shareholders' Meeting of 5 June 2024, it was resolved, among other things, after the election of the members of the new Board of Directors, to change the composition of the Committees listed below:

- **Appointments and Remuneration Committee** (composed of directors Paolo Bona - Chairman, Letizia Macrì and Giovanni Benini);
- **Control and Risk Committee** (composed of the directors Letizia Macrì - Chairman, Giovanni Benini and Paolo Bona);
- **Related Parties Committee** (composed of the directors Giovanni Benini - Chairman, Letizia Macrì and Paolo Bona);
- **Innovation and Sustainability Committee** (composed of directors Letizia Macrì - Chairman, Giovanni Benini and Paolo Bona).

Board of Auditors

Pursuant to Article 23 of the Articles of Association of Mexedia S.p.A. SB, the Company's Board of Statutory Auditors is composed of three statutory auditors and two alternate auditors elected by the shareholders' meeting.

The Board of Statutory Auditors in office as of the date of approval of this Report, following the resolutions of the Shareholders' Meeting of 05 June 2024, is composed of Ulderico Granata (Chairman), Stefano Di Natale and Pierfrancesco Argentino (Standing Auditors), Cinzia Agnelli and Giorgio Giulianelli (Alternate Auditors) and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements as of 31 December 2026.

Legal Auditing

The auditing company in charge of the statutory audit is AUDIREVI SPA with registered office in 20122 Milan (MI), Via Paolo Da Cannobio no. 33, enrolled in the Company Register of Milan with number 12034710157 and tax code 05953410585, REA - MI 1523066, enrolled in the Register of Statutory Auditors under no. GU60/2000.

In particular, the Shareholders' Meeting of 17/02/2025 appointed the Independent Auditors for a term of three years.

Supervisory Board

Pursuant to Legislative Decree No. 231/2001 as well as Article 4 of the Organisation, Management and Control Model (hereinafter, also referred to as 'Model 231') adopted by the Company, the Board of Directors appoints a Supervisory Board (SB).

The member of the SB must possess skills in inspection, consultancy, or knowledge of specific techniques, suitable to guarantee the effectiveness of the control powers and the power to make proposals entrusted to it. The SB remains in office for three years and in any case until the appointment of a new SB, regardless of the expiry or possible early dissolution of the Board of Directors that appointed it.

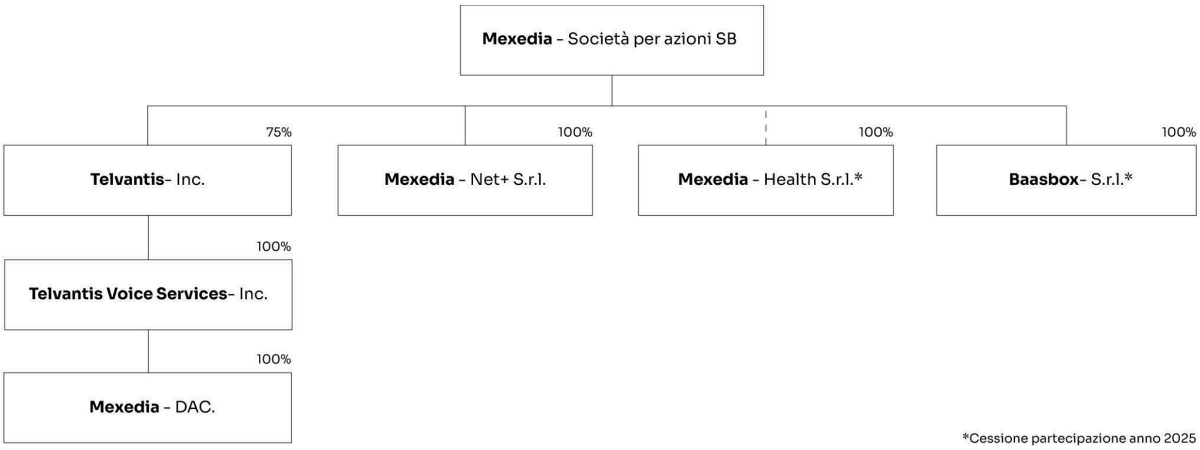
The Supervisory Board currently in office was appointed by the Board of Directors on 28 June 2023 in the person of Mr. Antonio Demitry and will remain in office until the date of approval of the financial statements for the year ending 31 December 2026.

Group Structure

At the closing date of these consolidated financial statements, the parent company Mexedia S.p.A. Società Benefit controlled the following companies:

- Telvantis Inc., a 75% subsidiary
- Mexedia Health S.r.l., a wholly-owned subsidiary;
- Mexedia Net+ S.r.l., in liquidation
- Baasbox S.r.l., a wholly-owned subsidiary

The following graph shows the composition of the Mexedia Group.



Group Summary Data

The Mexedia Group ended 2024 with a **negative consolidated EBITDA of euro (23,418) thousand** compared to euro 13,843 thousand in 2023, thus decreasing compared to the previous period, and a **negative consolidated net result of euro (26,656) thousand** compared to euro 4,471 thousand in 2023, also decreasing compared to the previous period.

These results, although impactful in terms of results, were achieved due to three significant events:

- Reorganisation of the corporate structure to reprioritise the Group's business.
- Temporary non-utilisation of the 'specific factoring' lines typical of the Telco sector, due to the start of the process of redefining the structure of the companies belonging to the 'Group'.
- Reorganisation of Voice-Sms interconnection contracts

In 2024, due to the events outlined above, the Group recorded **consolidated revenues of Euro 72,899** thousand compared to Euro 323,871 thousand in 2023, a decrease compared to the previous period. In particular, the reduction in Turnover was recorded in the investee companies that, being subject to a reorganisation process, could not maintain the levels of turnover recorded in 2023 due to the lack of specific financing lines.

In contrast, the parent company Mexedia S.p.a. SB, although affected by the reduction of the subsidiaries' business, maintained its turnover levels with those of the previous year, recording a decrease of only 11.8 percentage points.

Consolidated shareholders' equity, having to bear the consolidated losses, decreased by about 40% to Euro 40,712 thousand compared to Euro 66,840 thousand in 2023.

The Net Financial Position was a negative Euro 47,631 thousand, down from the 2023 figure of Euro 41,274 thousand.

Below are the Group's key economic and financial figures as at 31 December 2024 derived from the consolidated financial statements compared to those as at 31 December 2023:

Profit and Loss Account	2024	2023
Revenues	72,899	323,871
Gross margin	7,400	22,229
% of revenue	10%	6.9%
Ebitda	(23,418)	13,843
% of revenue	0%	4.3%
Profit (loss) before tax	(27,834)	6,481
Income Taxes	1.178	(2,010)
Net profit (loss) for the period	(26,656)	4,471

Balance Sheet	2024	2023
Non-current Assets	82,323	67,636
Current Assets	74,797	100,884
Non-current assets held for sale	397	0
Total assets	157,518	168,520
Group equity	47,357	66,840
Minority shareholders' equity	(6,644)	
Total net assets	40,712	66,840
Non-current liabilities	49,748	113
Current liabilities	67,058	101,567
Total liabilities	157,518	101,680
Net financial position	(47,635)	(41,274)

From the results contained in the summary table, one can see, as indicated above, a slump in revenue volumes. The group's result for the year is also due to the effect of the write-down of receivables in the accounts of Mexedia DAC in the amount of EUR 23,241.

Earnings outline on half-yearly report 2024	06/2024	06/2023
Revenues	38,695	133,362
Gross margin	3,063	7,085
% of revenue	7.9%	5.3%
Ebitda	(816)	4,104

Even in the half-yearly report submitted, the company had presented figures that stated a reduction in volumes, weighed down by the revaluation of balance sheet items. In the last period of the financial year 2024, following the completion of the corporate reorganisation operation, which allowed the reactivation of the technical divestment lines, the volumes of transacted revenues began to rise steadily

Parent Company Highlights

The parent company Mexedia S.p.A. SB closed the 2024 financial year with a positive gross margin, in contrast to the results achieved by the companies in the consolidation, albeit lower than the 2023 results. The year 2024 recorded a **positive gross margin of Euro 4,985** thousand compared to the year's result of Euro 1,801 thousand.

EBITDA was positive at Euro 1,319 thousand compared to Euro 3,478 thousand in 2023.

The net result was positive and amounted to euro 1,801 thousand, compared to euro 6,917 thousand in 2023, down from the previous period.

Shareholders' equity amounted to Euro 61,875 thousand compared to Euro 65,788 thousand in the previous period, thus showing a decrease of Euro 3,913 thousand.

The net financial position was negative and amounted to Euro (4,628) thousand compared to Euro 427 thousand at the end of the previous period.

Below are the main economic and financial figures of the parent company Mexedia Spa SB as at 31 December 2024 derived from the annual financial statements compared with those as at 31 December 2023:

Profit and Loss Account	2024	2023
Revenues	29,707	34,254
Gross margin	4,985	7,172
% of revenue	8.32%	20.9%
Ebitda	1,319	3,478
% of revenue	1.76%	10.2%
Profit (loss) before tax	2,172	8,248
Income Taxes	(370)	(1,331)
Net profit (loss) for the period	1,801	6,917

Balance Sheet	2024	2023
Non-current Assets	58,428	58,403
Current Assets	46,103	33,043
Total assets	104,531	91,446
Net assets	61,875	65,788
Non-current liabilities	5,385	101
Current liabilities	37,270	25,557
Total Liabilities	104,531	25,658
Net Financial Position	(4,628)	427

Operating performance

The Group

Mexedia S.p.a. SB is a tech company operating in the telecommunications and business services sector. The Group's activity, initially focused on the international sale of electronic voice and SMS termination services, now also includes the provision of advanced technology services through an innovative platform that integrates multiple services aimed at improving communication between companies and their customers.

The 2024 consolidated operating and balance sheet results include the companies included in the scope of consolidation.

The financial year 2024 was characterised by a sharp decline in turnover, as reported in the previous half-yearly report, when compared to the same figure for the previous year.

This contraction in volumes resulted from certain factors due to the reorganisation put in place by the administrative body, which was not properly supported in the operational process by the financial system.

In the course of 2024:

- the project on the implementation of the new technology platforms Mexedia On 1.0 and 2.0 was integrated.

- Procedures were implemented to reduce certain operating costs that could be contracted, which contributed to improving EBITDA for the year.

- the reorganisation of the Irish and American subsidiaries was completed.

- operations began in an attempt to complete the acquisition of Malta-based Fortytwo Telecom Ltd.

Group Results

The Consolidated Operating and Financial Results 2024 include the companies:

- Mexedia S.p.A. SB
- Telvantis Inc.
- Baasbox S.r.l.

Mexedia Net+ in liquidation S.r.l. and Mexedia Health S.r.l. are not consolidated.

With regard to these companies, as already indicated in the half-yearly report, the management decided to no longer invest in ongoing projects in order to avoid financial dispersions that do not seem to remunerate the investments.

The company Baasbox S.r.l., which is included in the scope of consolidation in 2024, will be sold in order to streamline organisational processes and focus management on the development of the core business.

In addition, the company conducted impairment tests for the year 2024 on the investee Telvantis INC with the support of independent external experts, which attributed a value of Euro 51,299,000 to the equity investments of the same recorded in the financial statements.

From a more purely industrial perspective, the trend in the telecommunications market continued in the financial year 2024. Operational and commercial activities, due to the temporary blocking of lines, resulted in a decrease in the volume of voice traffic terminations.

In the financial year 2024, the Mexedia Group realised consolidated revenue of Euro 72,899 thousand, down from the same period in 2023, when revenue amounted to Euro 323,871 thousand.

About 56% of the consolidated revenues are attributable to the US-registered subsidiary Telvantis Inc, about 40% to the parent company Mexedia S.p.A. SB and 4% to Baasbox S.r.l..

The consolidated gross margin from operating activities decreased from Euro 22,229 thousand in 2023 to Euro 7,400 thousand in 2024.

EBITDA recorded in the financial year 2024 was negative and amounted to Euro (23,418) thousand, compared to Euro 13,843 thousand recorded in the financial year 2023.

Consolidated financial expenses pertaining to 2024 amounted to euro 2,901 thousand, compared to euro 5,968 thousand in the same period of 2023, substantially due to the lower use of credit mobilisation instruments to support working capital.

Group profit before tax was Euro (27,834) thousand, compared to Euro 6,481 thousand in the same period of 2023.

Consolidated income taxes amounted to Euro (1,178) thousand compared to Euro (2,010) thousand for consolidated income in 2023.

In the financial year 2024, cash and cash equivalents amounted to EUR 1,696,000 compared to cash and cash equivalents of EUR 548,000 in 2023. The increase in cash and cash equivalents is due to the reactivation of cash flows in the last quarter of 2024, which contrasts with the blocking of cash flows in the last quarter of 2023.

Financial liabilities amounted to Euro 47,805 thousand against the accrued value 2023 of Euro 41,822 thousand

The parent company's results

In the financial year 2024, the parent company Mexedia S.p.A. SB posted revenues of euro 29,707 thousand, compared to euro 34,254 thousand in the same period of 2023. The reduction of the parent company's revenues was due to the reduction of the credit lines that affected the entire group precisely in the phase of reorganisation of the subsidiaries.

The gross margin was positive at Euro 4,985 thousand compared to Euro 7,172 thousand in 2023.

The net financial position was Euro (4,628) thousand compared to Euro 427 thousand in 2023.

The company recognised equity investments in the amount of Euro 52,192 thousand under assets, as shown below:

- Telvantis Inc., 51,299 thousand;
- Mexedia Net+ S.r.l., 304 thousand (fully written off);
- Mexedia Health S.r.l., 39 thousand (fully written off);
- Baasbox S.r.l., 550 thousand

The main income statement, balance sheet and financial data from the 2024 financial statements approved by the subsidiaries are summarised below.

	Televantis Inc (IAS/IFRS)	Baasbox S.r.l.
Revenues	**43,486**	**459**
Gross Margin	**2,113**	**(154)**
% of revenue	4.86	(33.64)
Ebitda	**(24,397)**	**(354)**
% of revenue	(56,1)	(77.07)
Profit (loss) before tax	**(28,131)**	**(458)**
Income Taxes	1,548	0
Net profit (loss) for the period	**(26,583)**	**(458)**
Non-current Assets	18,706	33
Current Assets	33,911	417
Total assets	**52,617**	**450**
Net assets	**(26,589)**	**(305)**
Non-current liabilities	44,331	32
Current liabilities	34,876	723
Total liabilities	**52,617**	**450**
Net financial position	**(49,877)**	**(44)**

During the financial year 2024, the Board of Directors decided to concentrate the Group's resources on the activities concerning the Core Business Telco - SmS, deciding to discontinue all kinds of different projects that in the short term would not develop results sufficient to cover the investments made.

For this reason:

- the company Mexedia Net+ S.r.l. was put into liquidation in August of the financial year 2024, interrupting the project started;

- the company Mexedia Health S.r.l. terminated its cooperation with the Gemelli Molise facility in 2024;

- the company Baasbox S.r.l. will be disposed of in favour of third parties in order to avoid the use of resources for the achievement of results in the areas of the company's core business (Telco).

For the three Italian companies Mexedia Net+ Srl, Mexedia Health Srl and Baasbox Srl, the 2024 financial statements are prepared in accordance with Italian GAAP and reclassified in the annexed tables.

Mexedia and the stock market

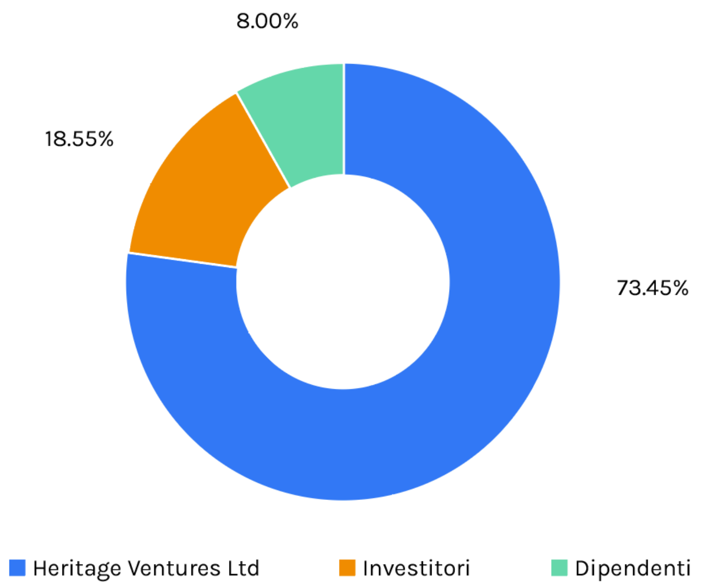
The Company's reference stock market is Euronext Growth Paris organised and managed by Euronext Paris S.A..

The market capitalisation of Mexedia S.p.A. Società Benefit as at 27 March 2025 was euro 28,500 thousand.

The share capital at the balance sheet date was EUR 57,000,000 and the number of ordinary shares (no par value) at the same date was 5,700,000.

The relevant shareholders of Mexedia S.p.A. Società Benefit Company are shown in the chart below.

Information on shareholders	
Heritage Ventures Ltd	73.45%
Investors	18.55%
Employees	8.00%



Financial Calendar

The Mexedia Group's financial calendar for the year 2024 includes the following events:

Date	Event
Thursday 27 March 2025	Board of Directors to approve the draft Annual Financial Report to 31 December 2024
Monday 28 April 2025	Shareholders' Meeting for the approval of the Annual Financial Report to 31 December 2024
Friday 26 September 2025	Board of Directors to approve the Draft Half-Yearly Financial Report as at 30 June 2025

Main risks and uncertainties to which the group is exposed

This section provides information on the Group's exposure to each of the risks and uncertainties, the objectives, policies and processes for managing these risks and the methods used to assess them, and the Group's capital management.

The overall responsibility for the creation and supervision of a Group risk management system lies with the directors of the parent company, who are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are designed to identify and analyse the risks to which the Group is exposed, to establish appropriate limits and controls, and to monitor risks and compliance with these limits. These policies and related systems are reviewed regularly to reflect any changes in market conditions and the Group's activities. Through training, management standards and procedures, the Group aims to create a disciplined and constructive control environment in which its employees are aware of their roles and responsibilities.

In this context, on 10 February 2021, the parent company Mexedia S.p.A. SB adopted the Code of Ethics, the Anti-Corruption Code, the Organisational, Management and Control Model pursuant to Legislative Decree No. 231 of 8 June 2001, and appointed the supervisory body provided for by Legislative Decree No. 231 of 8 June 2001, in order to ensure compliance with the prescribed conditions of fairness and transparency in the conduct of business activities, to protect the company's position and image, the expectations of shareholders, and the work of employees.

All interested parties were informed accordingly.

The aforementioned documents are kept up-to-date according to regulatory developments and social activity.

Code of Ethics

The Code of Ethics sets out the principles of business conduct together with the commitments and responsibilities of Group employees.

The Code constitutes the programme of Mexedia S.p.a. SB in order to ensure effective prevention and detection of violations of the laws and regulatory directives applicable to its activities.

Where the rules in force in a particular jurisdiction are more permissive than those of the Code, those of the Code will prevail.

The Code applies to the Board of Directors, the Board of Statutory Auditors, the Auditing Company of Mexedia S.p.a. SB and its subsidiaries, to all employees of the Companies belonging to the Group, and to all other individuals or Companies acting in the name or on behalf of one or more Companies of Mexedia S.p.a. SB.

The Group is committed to ensuring that those with whom it has long-term business relationships, such as suppliers, consultants, professionals, agents and dealers, consider the Code as a best practice standard for business conduct.

All the addressees of the Code of Ethics must respect the values set forth therein and attest to this commitment by accepting and signing the same, depending on the type of relationship with the Companies of Mexedia S.p.a. SB, or other contractual document provided for the purpose.

Anti-Corruption Code

Mexedia S.p.a. SB is committed to combating corruption and preventing the risks of unlawful practices, at any level of the workplace and in any geographical area, both through the dissemination and promotion of ethical values and principles, and through the effective provision of rules of conduct and the implementation of control processes, in line with the requirements of applicable regulations and international best practices.

In particular, in order to prevent conduct prohibited by law, Mexedia S.p.a. SB has decided to adopt a specific Anti-Corruption Code of Conduct, which is part of a broader regulatory compliance programme that the company intends to develop and maintain over time. In this context, on 10 February 2021, the Board of Directors approved the Code in order to strengthen the safeguards for preventing and combating possible corrupt practices.

The Code applies to all employees of Mexedia S.p.a. SB and, more generally, to all those with whom Mexedia S.p.a. SB comes into contact in the course of its activity.

Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001

In order to prevent the commission of the types of offences set forth in Legislative Decree 231/01 and to implement the indications contained therein, Mexedia S.p.a. SB. has deemed it appropriate to adopt an Organisation, Management and Control Model.

The decision to adopt the Organisation, Management and Control Model was implemented with a view to preventing or limiting situations that could lead to the Company's liability and the imposition of sanctions against it, as a result of any unlawful conduct by persons acting in the name and on behalf of the Company.

Closely related to this primary purpose are the objectives of: protecting its image, the interests and expectations of employees, shareholders, clients, and the public; raising the awareness of all collaborators and all those who work in the name and on behalf of Mexedia S.p.a. SB to the adoption of correct conduct; to confirm the Company's commitment to oppose unlawful conduct, in any case contrary to the ethical principles of the Group.

Financial Risk Management

Financial risks to which the Group is exposed are Liquidity Risk, Currency Risk, Interest Rate Risk and Credit Risk.

Liquidity Risk

Liquidity risk arises from the possibility that available financial resources may not be sufficient to cover, in due time and manner, future disbursements generated by financial and/or commercial obligations. To cope with this risk, the cash flows and credit line needs of Group companies are monitored and managed under the control of the respective Treasuries with the aim of ensuring effective and efficient management of financial resources as well as optimising the debt maturity profile. The management believes that the funds currently available, in addition to those that will be generated by operating and financing activities, will allow the Group Companies to meet their needs arising from investment activities, working capital management and the repayment of debts at their natural due dates and ensure an adequate level of operational and strategic flexibility.

Exchange Risk

The Group operates in an international environment where transactions are conducted in currencies other than the euro, which exposes it to the risk of exchange rate fluctuations.

Interest Rate Risk

This risk arises from the variability of interest rates and the impact this may have on future cash flows from variable-rate financial assets and liabilities. The Group has no exposure to interest rate risk.

Credit Risk

The trade receivables portfolio has no concentrations of credit risk. In addition, most trade receivables have a short-term time profile.

Corporate governance

Mexedia S.p.A. SB has adopted a traditional corporate governance model built in compliance with the regulatory provisions and recommendations of the Self-Regulatory Code for Listed Companies approved by the Corporate Governance Committee of Borsa Italiana S.p.A. (the "Self-Regulatory Code") - to which Mexedia adheres - and which is based on four pillars:

i. the central role of administrative and supervisory bodies;

ii. careful and conscious monitoring of related party transactions and the handling of inside information;

iii. the effectiveness and transparency of management choices;

iv. the set of defined, recognised and shared values set out in the Code of Ethics and company policies.

Mexedia S.p.A. SB at the time of its incorporation adopted a traditional administration and control system as set forth in Articles *2380-bis* et seq. of the Italian Civil Code, under which the Board of Directors is entrusted with company management and the Board of Statutory Auditors with control and supervisory functions. Mexedia's system of governance guarantees constant dialogue between management and shareholders, detailed as follows:

- the Shareholders' Meeting is a body with exclusively deliberative functions whose competences are by law limited to the most important decisions of corporate life. In particular, in ordinary and/or extraordinary session, it is competent to resolve, inter alia, on the provisions of Art. 2364 of the Civil Code: (1) approval of the Financial Statements; (2) appointment and dismissal of directors, appointment of auditors and of the Chairman of the Board of Statutory Auditors and, when provided for, appointment of the person appointed to perform the legal audit of the accounts; (3) determination of the remuneration of directors and auditors if not established by the articles of association; (4) resolution on the liability of directors and auditors; (5) resolution on other items attributed by law to the competence of the shareholders' meeting, as well as on any authorisations required by the articles of association for the performance of acts by the directors, without prejudice to the liability of the latter for the acts performed.

- The Board of Directors is the body responsible for managing the company and the group and is vested with the broadest powers for ordinary and extraordinary administration in compliance with the provisions of Article 2086, paragraph 2, of the Italian Civil Code. The Board assigned the office of CEO to Orlando Taddeo and the office of Managing Director to Paolo Bona, identifying their powers and limits.

The Board of Directors also set up 4 endoconsiliar Committees effective as of 22 September 2021 (date of listing), also taking into account the recommendations of the Corporate Governance Code; on 29 September 2022, the composition of the Committees changed, which at the closing date of this report are as follows: Nomination and Remuneration Committee, Risk Committee, Related Parties Committee and Innovation and Sustainability Committee.

As of 31 December 2024, the Board of Directors of Mexedia S.p.A. SB consists of 5 members.

- the Board of Statutory Auditors monitors, inter alia, (1) compliance with the law and the deed of incorporation; (2) compliance with the principles of proper administration; (3) the adequacy of the Company's organisational structure for the aspects falling within its competence, the internal control system and the administrative-accounting system, as well as the reliability of the latter in correctly representing operating events (4) on the procedures for the concrete implementation of the corporate governance rules set forth in codes of conduct to which the Company adheres; (5) on the adequacy of the provisions issued by the Company to its subsidiaries.

- the External Auditor is appointed to perform the statutory audit of the accounts and is appointed in accordance with the articles of association by the Shareholders' Meeting on the motivated proposal of the Board of Statutory Auditors. The external auditor performs his work independently and autonomously and therefore does not represent either majority or minority shareholders.

Furthermore, within the framework of the Organisation, Management and Control Model adopted by the Company, the Supervisory Board was established, with the task of supervising the effectiveness and adequacy of internal mechanisms and controls. The Supervisory Board is composed of a monocratic body whose members must possess skills in inspection, consultancy, or knowledge of specific techniques, suitable to guarantee the effectiveness of the control powers and the power of proposal entrusted to it.

Significant events during the financial year

On 8 October 2024, TELVANTIS INC completed the acquisition of Mexedia Inc. and Mexedia DAC, collectively the "Mexedia Companies". As part of this transaction, TELVANTIS INC issued 75,000 Series F preference shares to Mexedia S.p.A.; 40,000 Series F shares were issued for the acquisition of Mexedia Inc. and 35,000 Series F shares were allotted for the acquisition of Mexedia DAC.

The holders of the Series F preference shares, as a class, have voting rights in all matters requiring shareholder approval, representing 66.67% of all voting shares. The above share exchange resulted in TELVANTIS INC acquiring a 100% interest in Mexedia Inc and Mexedia DAC and Mexedia S.p.A. acquiring a 75% controlling interest in TELVANTIS INC.

As a result of the aforementioned corporate reorganisation process of the Group, the financial year 2024 was therefore characterised by a sharp drop in revenue. In addition, the Group's revenue in 2024 also decreased drastically due to the sudden and unexpected suspension of financing by the financing company Lenderwize Corporate. This resulted in an effective interruption of sales activities and a consequent reduction in turnover.

Towards the end of 2024, the Group successfully restructured the existing financing, obtaining additional working capital financing from the Fasanara Capital Ltd Fund, which will enable the Group to operate profitably in the following years

In addition, the Mexedia Group in the course of the financial year 2024, again as part of the reorganisation process that is relevant from both a structural and a business perspective, proceeded to

- reorganise the entire group structure by implementing a reorganisation process of the subsidiaries, executive bodies, and staff. This reorganisation process will lead to a reduction in the management costs of the subsidiaries.

- manage the problems caused by the slowdown in the rotation of technical financial instruments that supported the item's business.

- complete, through an R&D project, the development of the Mexedia ON platform that will increase both volumes and margins in the SMS-related business (Value Added).

- start the construction of the A2P platform, which is expected to be completed with delivery by the partners by 2026.

- stop the project developed on the subsidiary Mexedia Net+, which is currently in liquidation, and to suspend the investments of the Mexedia Health project.

- to make the business effective by increasing margins and to reduce costs in an attempt to maintain the industry's Ebitda levels.

Significant events occurring after the end of the financial year

During the first quarter of 2025, management not only restarted operations in the Telco/Sms business, but also

- completed the processes of the two Mexedia On softwares (01-02) and proceeded with their submission to SIAE.
- initiated and concluded with a deed dated 27 March 2025, the sale of the investee company Baasbox S.r.l. at the value of Euro 550,000;
- activated procedures to reorganise the administrative and legal department in order to improve internal management processes.

Outlook for the Group and Parent Company

The results recorded during 2024, although they generated a negative economic result, determined by the extraordinary transactions carried out with the investee companies, in business terms respect the general trends of companies in the technology and telecommunications sector.

The development activities implemented by the group, based on the economic-management optimisation of the investee companies, will allow the achievement of significant results in terms of profit in the financial year 2025.

The company's positioning strategies in the business technology services market have shown signs of recovery in terms of significant volumes, and this bodes well for the expected turnover volumes for the financial year 2025.

The year 2025 will be an important year for the Mexedia Group, with the aim of restarting the growth process that was interrupted in 2024, also realising internationalisation processes through the acquisition of companies in South America and North Africa.

The group goal for 2025 is to strengthen the company in the Enterprise market and to increase revenue volumes in the voice and SMS business.

Other Information

Related Party Transactions

With regard to transactions carried out with related parties, including intra-group transactions, it should be noted that these do not qualify as atypical or unusual, as they fall within the normal course of business of Group companies.

Please refer to the relevant section of the Notes to the Financial Statements for detailed information on transactions with parent companies and companies controlled by them, transactions with other related parties and intra-group transactions.

Atypical and/or unusual transactions

No atypical or unusual transactions were carried out, i.e., outside the normal course of business or capable of significantly affecting the Group's financial position or results.

Own shares

The company Mexedia S.p.A. SB, carried out the preparatory activities for the purchase of treasury shares.

As at 31 December 2024, Mexedia S.p.a. SB held 7,107 units in its portfolio, of which 1,157 units were acquired during 2024 as a means of supporting the stock's liquidity.

Research and Development

The Company carried out research and development activities during the financial year and the same was capitalised in the accounts related to the Mexedia ON Platform, which resulted in the creation of two software products (01-02) that will enter into operation in the financial year 2025. The Research and Development activity put in place, by management's choice, will not generate any benefit in terms of tax credits.

Staff

The Group's workforce at the end of the financial year, broken down by company, is shown in the table below, which also shows the changes compared to the same period of the previous year

	2024	2023
Mexedia Spa	9	7
of which:		
Managers	*2*	*2*
Paintings	*3*	*3*
Employees	*4*	*2*
Apprentices	*-*	*-*

The total number of employees of the parent company Mexedia S.p.a. SB as at the closing date of the financial year 2024 is 9 employees (including 2 managers, 3 middle managers, 4 clerical staff), compared to 7 employees as at the closing date of the financial year 2023.

The collective labour agreement applied is the CCNL of Commerce for employees of service, distribution and service companies.

The total number of employees of the US subsidiary TELVANTIS Inc. as at the end of the financial year 2024 was 4 (of which 3 Directors and 1 Manager); the total number of employees of the Irish subsidiary Mexedia DAC was 3 (1 Manager and 2 Employees).

Sub-offices

The Company has no branch offices as at 31 December 2024.

Rome, 27 March 2025

For the Board of Directors

Elio Cosimo Catania

(President)

Orlando Taddeo

(Managing Director)

Consolidated Profit and Loss Account

	Notes	31 December 2024	31 December 2023
		2024	2023
Revenues	1.1	72,899	323,871
Cost of sales	1.2	(65,500)	(301,642)
Gross margin		7,400	22,229
General and administrative expenses	1.3	(30,238)	(8,130)
Other operating costs	1.4	(579)	(257)
Depreciation	1.7	(1,285)	(1,057)
Operating Profit		(24,702)	12,786
Financial income (expenses)	1.8	(2,901)	(5,968)
Other non-operating income		651	292
Other non-operating costs	1.9	(881)	(628)
Profit (loss) before tax		(27,834)	6,481
Income Taxes	2.0	1,178	(2,010)
Net profit (loss) for the period		(26,656)	4,471
Attributable to:			
Parent company		(20,010)	4,471
Third parties		(6,646)	(0)

Consolidated Statement of Comprehensive Income

	31 December 2024	31 December 2023
Net profit (loss) for the period	(26,656)	4,471
Other Components of the Comprehensive Income Statement		
Other comprehensive income components that may be reclassified profit (loss) in subsequent periods (net of tax):		
Exchange rate differences due to translation of foreign transactions		
Other comprehensive income components attributable to associates		
Total other comprehensive income that can be reclassified profit (loss) in subsequent periods		
Other comprehensive income components that will not be reclassified profit (loss) in subsequent periods (net of tax)		
Revaluations of Property, Plant and Equipment		
Actuarial gains (losses) from defined benefit plans		
Other comprehensive income components attributable to associates		
Total other comprehensive income that will not be reclassified profit (loss) in subsequent periods		
Other comprehensive profit (loss) for the period after tax		
Total comprehensive profit (loss) for the period	(26,656)	4,471
Attributable to:		
Parent company	(20,010)	4,471
Third parties	(6,646)	-

MEXEDIA
Fast, easy, safe.

Consolidated Statement of Financial Position

Activities	Notes	31 December 2024	31 December 2023
Non-current Assets			
Buildings, installations and machinery	2.1	225	73
Start-up	2.2	58,556	56.456
Other fixed assets intangibles	2.3	14,798	10,360
Investments in companies linked	2.4	343	736
Other non-current assets		6,353	11
Deferred tax assets		2,048	
Total non-current assets		82.323	67,636
Current Assets			
Trade receivables	2.5	73,101	90,388
Short-term financing		0	6,932
Taxes and other current assets		0	2,888
Cash and cash equivalents	2.6	1,696	548
Prepayments		0	128
Total current assets		74,797	108,884
Non-current Assets			
Other non-current assets held for sale		397	0
Total non-current assets		397	0
Total assets		157	168,520
Equity and Liabilities			
Net assets			
Share Capital	2.7	57,000	57,000
Other reserves		8,774	1,884
Translation reserve		162	(20)
Retained earnings		1,431	3,505
Operating profit		(20,010)	4,47
Net assets attributable to the parent company		47,357	66,840
Minority shareholders' equity		(6,644)	-
Total net assets		**40,712**	**66,840**
Non-current liabilities			
Due to banks		4,673	
Other financial liabilities		44,331	

Provision for deferred taxes		53	44
Employee benefits	2.9	87	57
Provisions and other non-current liabilities	2.15	604	12
		49,748	113
Current liabilities			
Short-term financing	2.10	327	41,822
Trade payables	2.11	59,237	56,818
Other financial liabilities		3,475	
Current taxes	2.8	2,534	1,911
Other current liabilities	2.12	1,484	769
Provisions for other current liabilities		0	247
		67,057	101,567
Total liabilities		116,802	101,680
Total		157,518	168,520

Statement of Changes in Consolidated Shareholders' Equity

	Share Capital	Legal reserve	Other reserves and retained earnings (losses carried forward)	Other movements	Profit (loss) for the period	Total
	(a)	(b)	(c)	(d)	(e)	(a+b+c+d+e)=f
Budget as at 1 January 2023	57,000	2	41	1,193	4,432	62,688
Destination result 2023	0	0	0	0	0	0
- Dividends	0	0	0	0	0	0
- Allocation of retained earnings or other reserves	0	97	1,834	0	(1,931)	0
- Negative reserve of own shares	0	0	(89)	0	0	(89)
-Translation reserve	0	0	(20)	0	0	(20)
Other movements	0	0	(1)	2,312	(2,501)	(1)
Net profit (loss) for the period	0	0	0	0	4,471	4,471
Balance Sheet as at 31 December 2023	57,000	99	1,765	3,505	4,471	66,840
Destination result 2024	0	0	0	0	0	0
- Allocation of retained earnings or other reserves	0	224	4,247	0	(4,471)	0
Negative reserve of own shares	0	0	0	0	0	0
Change in consolidation perimeter	0	0	0	366	0	366
Translation reserve	0	0	162	0	0	162
Other movements	0	0	0	0	0	0
Net profit (loss) for the period	-	-	-	-	(26,656)	(26,656)
Balance sheet as at 31 December 2024	57,000	323	6,174	3,871	(26,656)	40.712

MEXEDIA
Fast, easy, safe.

Consolidated Statement of Cash Flows

A) Cash flow from current assets	31/12/2024	31/12/2023
Profit (loss) for the period	(26,656)	4,471
Taxes	(1,178)	2,010
Interest payable (receivable)	2,250	5,968
1) Profit (loss) for the year before taxes, interest, dividends, capital gains/losses on disposals	(25,584)	12,449
Adjustments of non-monetary items that have not had a counterpart in working capital net:		
Provisions	0	298
Other non-monetary items	0	60
Depreciation/depreciation of fixed assets	1,285	1,057
Total adjustments non-monetary movements with balancing entry in net working capital	0	1,415
2) Cash flow before changes in net working capital	(24,298)	13,864
Changes in net working capital:		
Decrease (increase) in trade receivables	17,414	(61,732)
Increase (decrease) in trade payables	2,419	52,714
Decrease (increase) in accrued income and prepaid expenses	0	300
Increase (decrease) in accrued expenses and deferred income	0	0
Other decreases (increases) in net working capital	14,073	875
Total changes in net working capital	33,907	(7,843)
3) Cash flow after changes in net working capital	9,608	6,021
Other corrections:	0	0
Interest received (paid)	(2,250)	(5,968)
Income Taxes	1,801	0
(Use of funds)	(901)	0
Total other adjustments	(1,350)	(5,968)
Cash flow from current assets (A)	8,258	53

MEXEDIA
Fast, easy, safe.

B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(151)	6
Intangible fixed assets		
(Investments)	(6,538)	(10,668)
Financial fixed assets		
(Investments)	(5,950)	(611)
Cash flow from investing activities (B)	(12,639)	(12,279)

Third-party means:

Funding start-up	5,000	12,774
Own means:		
Change in Shareholders' Equity	529	
Paid-in capital increase		-
Cash flow from financing activities (C)	5,52	12,774
Increase (decrease) in cash and cash equivalents (A+B+C)	1,148	548
Cash and cash equivalents at the end of the period:		
Bank and postal deposits	1,696	546
Case	0	2
Total cash and cash equivalents at the end of the period	1,696	548

Notes to the Consolidated Financial Statements

General Information on the Group

The Group and its main activities

The Parent Company Mexedia S.p.A. Società Benefit (formerly Airtime Partecipazioni S.p.A.) is a joint-stock company under Italian law, incorporated on 12 January 2021 and domiciled in Italy, with registered office in Rome, at Via di Affogalasino no. 105; Tax code and registration number in the Rome Register of Companies 15997541006. Rome R.E.A. no. RM - 1627922. As of 22 September 2021, its securities are traded on the Euronext Growth unregulated market organised and managed by Euronext Paris.

The Parent Company Mexedia S.p.A. SB is also de facto controlled by Orlando Taddeo indirectly through the Heritage Ventures Ltd Fund, an Irish-registered Fund held 100% by the latter and directly 5.2%; as of 18 February 2024, the Fund held 4,426,620 shares equal to 77.66% of the share capital of Mexedia S.p.A. SB.

The Consolidated Financial Statements as at 31 December 2024 comprise the parent company and subsidiaries (hereinafter referred to as the 'Mexedia Group').

At the closing date of these financial statements, the Group's activities are carried out by subsidiaries and directly by the parent company in the telecommunications and business services sector.

In addition to the native business of selling electronic voice and SMS termination services, a new business line was introduced directly to the parent company Mexedia S.p.A. SB, which aims to place *enterprise* products in the messaging market.

The new business line started in 2023 and recorded significant volumes in terms of turnover and contribution margin.

The business targets the aggregator market and the *small/medium/large enterprise* market, guaranteeing attractive margins and objective growth and development opportunities.

By virtue of its extensive activity in the voice market in previous years, the company had the opportunity to build solid commercial and relational foundations that provided the right link for the launch of its new line of business in the messaging market.

In the course of 2024, the Mexedia Group's goal is to consolidate its position in the voice business, confirming the significant growth *trend* in the messaging market, particularly in the *enterprise* segment.

Accounting Principles, Valuation Criteria and Principles of Consolidation

Principles for the Preparation of Consolidated Financial Statements Reference Accounting Principles and Financial Statement Schedules

These Consolidated Financial Statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the *International Accounting Standards* Board ("IASB") and interpretations issued by the *International Financial Reporting Interpretations* Committee ("IFRIC"), as well as previous International Accounting Standards (IAS) and previous interpretations of the *Standard Interpretations Committee* ("SIC") still in force, endorsed by the European Commission.

IFRS also includes all revised International Accounting Standards ('IAS') and all interpretations of the International Financial Reporting Interpretations Committee ('IFRIC'), formerly known as the Standing Interpretations Committee ('SIC').

The accounting principles adopted for the preparation of these Consolidated Financial Statements are consistent with those used for the preparation of the Consolidated Financial Statements as at 31 December 2023.

These Consolidated Financial Statements consist of the Consolidated Financial Statements (Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows), accompanied by the Notes to the Consolidated Financial Statements in accordance with IAS 1 'Presentation of Financial Statements', and give a true and fair view of the Group's financial position, results of operations, changes in equity and cash flows for the year ended 31 December 2024.

With regard to the manner in which the financial statements are presented, within the scope of the options provided by IAS 1, the 'current/non-current' distinction has been adopted for the statement of financial position, for the income statement and statement of comprehensive income the step-by-step format with the classification of costs by function, and for the cash flow statement the indirect presentation method.

In accordance with IAS 24, the following paragraphs highlight related party and intercompany transactions and their impact, if significant, on the statement of financial position, income statement and cash flows.

The Group also prepared the reconciliation of the consolidated equity and profit for the year in the consolidated financial statements and the similar figures in the financial statements of the parent company.

The Notes are presented in a systematic manner. In the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity, reference is made to the detailed information in the Notes to the Consolidated Financial Statements.

Comparative information with respect to the previous year is provided for all amounts shown in the consolidated financial statements for the current year. Comparative information is also provided with respect to the notes to the consolidated financial statements and explanatory notes, if this is relevant to an understanding of the consolidated financial statements for the current financial year.

Drafting Principles

The general principle adopted in the preparation of these Consolidated Financial Statements is that of cost, except for those assets and liabilities for which international accounting standards require the use of fair value.

The Consolidated Financial Statements have been drawn up in euros, the currency used in the economies in which the Group mainly operates.

The financial statements and values in the notes are shown in thousands, unless otherwise indicated.

The preparation of the Consolidated Financial Statements required the use of estimates by management based on the best information available at the date of preparation of the financial statements. Estimates and assumptions are reviewed periodically and the effects of any changes to them are reflected in the income statement of the period in which the estimate is revised if the revision affects only that period, or in subsequent periods if the revision affects both the current and future periods.

Evaluation Criteria

Property, Plant and Machinery

According to Accounting Standard IAS 16 (Property, Plant and Equipment), Property, Plant and Equipment consist of assets of lasting use, used in the production or supply of goods and services, or for administrative purposes and, therefore, neither held for sale nor for investment purposes. Therefore, this item includes tangible assets and advances to suppliers, against the purchase of such tangible assets, having long-term economic utility.

Property, Plant and Equipment are initially recognised at cost, which includes, in addition to the purchase or production price, directly attributable incidental expenses, or expenses necessary to make the assets ready for the use for which they were acquired.

The company adopts the cost method and, therefore, the value of an asset recorded in the financial statements at cost is adjusted by systematic depreciation from the moment the asset is available and ready for use, based on its useful life. The systematic nature of depreciation is defined in the depreciation schedule based on the value to be depreciated, the duration of depreciation and the criteria for allocating the value to be depreciated.

The estimated useful life for the various categories of assets is represented by the following rates:

- Office machines 12.5%-20%
- Furniture and furnishings 12.5%
- Other assets 20%

The residual value and useful life of tangible assets are reviewed annually and updated, where necessary, at the end of each financial year. The carrying value of an asset is maintained in the balance sheet to the extent that there is evidence that this value can be recovered through use. In determining whether the carrying value exceeds the recoverable amount, each significant item of property, plant and equipment is assessed separately, based on its useful life; however, it is permissible to group together several items whose estimated useful life is similar.

Other intangible assets with a finite useful life

Other purchased or internally-generated intangible assets with a finite useful life are recognised as assets, in accordance with IAS 38 (Intangible Assets), when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably.

These assets are recognised at purchase or production cost and amortised on a straight-line basis over their estimated useful lives; amortisation rates are reviewed on an annual basis and are changed if the current estimated useful life differs from that previously estimated. The effects of these changes are recognised in the separate consolidated income statement on a prospective basis.

Start-up

Goodwill recognised in the balance sheet is related to the cancellation of the carrying value of investments in subsidiaries and/or associates. This value is cancelled against the corresponding fraction of shareholders' equity, on the basis of the book values at the date of acquisition or incorporation of the equity investment; any surplus, not attributable to specific entries in the balance sheet, is allocated, if positive, to the item 'Goodwill'.

In addition, goodwill arising from the acquisition of subsidiaries, associates or joint ventures, and in general from extraordinary business transactions, is initially recognised at cost and represents the excess of the acquisition cost over the acquirer's share of the fair value of the assets and liabilities (present and contingent). After initial recognition, goodwill is no longer amortised and is reduced for any accumulated impairment losses, determined as described below.

Goodwill is treated as an intangible asset with an indefinite useful life and is therefore not amortised but is tested for impairment annually, or more frequently if specific events or changed circumstances indicate that it may be impaired, in accordance with IAS 36 (impairment test). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Equity Investments

Acquisitions in equity investments are accounted for at the *fair value* of the consideration plus directly attributable costs.

In addition, a significant and prolonged decline in the *fair value* of the investment below its initially recognised cost is considered objective evidence of impairment.

A subsidiary company is defined as a company over which Mexedia S.p.A. SB has the power to directly or indirectly determine its financial and management policies and to benefit from them. The existence of control is presumed when more than half of the actual or potentially exercisable voting rights are held at the reporting date.

An affiliated company is defined as a company in which significant influence is exercised. Such influence is presumed when more than 20% of the actual or potentially exercisable voting rights are held at the reporting date.

Trade receivables

Trade receivables included in current or non-current assets upon initial recognition are measured at fair value. If there is objective evidence of indicators of impairment, the asset is reduced to an amount equal to the present value of its expected cash flows.

Short-term financing

Receivables arising from the provision of funds by the Group to third parties are classified as current assets except when the maturity period exceeds twelve months from the balance sheet date with respect to non-trade receivables.

Financial receivables are valued, if they have a fixed maturity, at amortised cost calculated using the effective interest method. When financial assets do not have a fixed maturity, they are measured at cost.

Taxes and other current assets

Income taxes include all taxes calculated on the taxable income of Group companies.

The calculation of current and deferred income taxes is performed using all elements and information available at the date of the financial statements, taking into account the laws in force and also considering and including in the valuations all elements that may give rise to uncertainties in the determination of the amounts due to the tax authorities, as required by IFRIC 23.

Income taxes are recognised in the separate consolidated income statement, except for those related to items directly debited or credited to an equity reserve; in such cases, the related tax effect is recognised directly in the respective equity reserves. In the consolidated statement of comprehensive income, the amount of income tax relating to each item included in 'other comprehensive income' is shown.

Deferred/prepaid taxes are recognised using the balance sheet liability method. They are calculated on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements, with the exception of differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future. Deferred tax assets on tax loss carryforwards are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. Tax assets and tax liabilities are offset, separately for current and deferred taxes, when income taxes are levied by the same taxation authority and when there is a legal right of set-off. Deferred tax assets and deferred tax liabilities are determined by adopting the tax rates that are expected to apply, in the respective jurisdictions of the countries in which the Group companies operate, in the periods in which the temporary differences will reverse.

Cash and cash equivalents

Cash and cash equivalents, consisting of actual existing funds, recorded under Current Assets in the Statement of Financial Position, are represented by: cash and cash equivalents, bank cheques and bank drafts existing at the main cash office, deposits with banks and credit institutions in general. Cash equivalents are recorded at nominal value and include securities that meet the requirements of high liquidity, availability on demand or very short-term and an irrelevant risk of change in value.

Severance pay

The Staff Severance Provision (TFR), which is mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, is in the nature of deferred compensation and is related to the length of employees' working lives and the salary received during their period of service. In application of IAS 19 (Employee Benefits), the TFR calculated in this way assumes the nature of a 'defined benefit plan' and the relative obligation to be recognised in the financial statements (TFR provision) is determined through an actuarial calculation.

The recognition of changes in actuarial gains/losses ('remeasurements') is recognised in other components of the consolidated statement of comprehensive income. Labour costs for Italian Group companies with fewer than 50 employees, as well as interest expenses related to the 'time value' component of actuarial calculations (the latter classified as financial expenses) are recognised in the separate consolidated income statement.

Since 1 January 2007, Italian law has provided for workers to be able to choose whether to allocate their accruing TFR to supplementary pension funds or to the company to which they belong. Companies with at least 50 employees are obliged to pay this TFR to the 'Fondo di Tesoreria' managed by INPS. Consequently, the obligation to INPS and the contributions to supplementary pension funds have assumed, pursuant to IAS 19, the nature of 'Defined Contribution Plans'.

Current employee benefits relating to wages and salaries, social security and pension contributions, accrued holiday not taken within twelve months of the balance sheet date, and other fringe benefits arising from the employment relationship are recognised in the period in which the service is rendered. Benefits that will be paid to employees upon termination of employment through defined benefit or defined contribution pension plans are recognised throughout the period in which the employee renders service.

Mexedia Group companies provide post-employment benefits for their employees either directly or by contributing to funds outside the Group.

Payments related to defined contribution plans made by Group companies are recognised as an expense in the income statement when incurred.

Employees of the Group's Italian companies benefit from defined benefit plans.

In verifying the value of the staff severance fund, no substantial changes were determined that would lead to an actuarial valuation of the value recorded in the balance sheet.

Financial liabilities

Financial liabilities are recorded at fair value, net of any directly attributable transaction costs.

Trade liabilities, the maturity of which falls within normal commercial terms or for which there are no significant financial components, cannot be discounted.

Trade payables

Trade payables are measured, upon initial recognition, at fair value, normally equal to nominal value, net of discounts, returns or billing adjustments, and are subsequently measured at amortised cost.

Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Exchange rate differences arising from the settlement of monetary items or their translation at rates different from those at which they were initially recognised during the financial year or at the end of the previous financial year are recognised in the separate consolidated income statement.

Revenues and Costs

Revenues and costs are recognised to the extent that it is probable that they will flow or flow into the economic benefits to the Group and their amount can be reliably determined. Revenues are recognised in accordance with IFRS 15 at the fair value of the consideration received net of returns, discounts, rebates and recognised on an accrual basis. Costs are recognised on an accrual basis.

Fair value

IFRS 13 is the reference for *fair value* measurement and related disclosures when such measurement is required or permitted by other accounting standards.

Specifically, the standard defines *fair value* as the price that would be received for the sale of an asset or paid for the transfer of a liability in a regular transaction between market participants at the valuation date

Business continuity

In preparing the Consolidated Financial Statements as at 31 December 2024, the Directors consider the going concern basis to be appropriate.

Based on the results achieved in the current year and the forecasts for future years, the directors believe that there are no elements that make going concern uncertain. In particular, even in the presence of a significant loss, the Group's equity solidity guarantees adequate financial autonomy to support Mexedia's operating needs and development programmes. For the year 2025, the company's operations are therefore guaranteed.

Principles for Consolidation

The Group's Consolidated Financial Statements comprise the financial statements of the Parent Company and those of the subsidiaries in which the Parent Company holds, directly or indirectly, a majority of the voting rights and over which it exercises control or from which it is able to obtain benefits by virtue of its power to govern financial and operating policies.

The financial statements of consolidated subsidiaries are prepared with reference to the same time period and using the same accounting principles as the parent company.

The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which the Group assumes control until the date on which such control ceases. If the Group has lost control of the subsidiary, the Consolidated Financial Statements include the results of the subsidiary in proportion to the period during which it exercised control. Minority interest in the capital and reserves of subsidiaries and minority interest in the profit or loss of consolidated subsidiaries are separately identified in the consolidated statement of financial position and income statement.

The financial statements of the companies included in the scope of consolidation are prepared on a line-by-line basis.

The assets and liabilities, as well as the income and expenses of the companies included in the consolidation, are reported in full.

There are no proportionally consolidated companies in these consolidated financial statements.

The carrying value of the investments held by the Parent Company and other Group companies in each subsidiary included in the scope of consolidation is written off against the corresponding fraction of its net assets using the line-by-line method.

The elimination of the value of equity investments against the corresponding value of shareholders' equity took place on the basis of the book values at the date of purchase these surpluses, which cannot be attributed to specific entries in the balance sheet, are allocated, if positive, to the item 'Goodwill'.

Any portions of shareholders' equity pertaining to minority shareholders are recorded in the appropriate item of the balance sheet. Minority interests are shown separately in the income statement.

Balance sheet and income statement relations between the companies included in the consolidation area are totally eliminated. Profits and losses arising from transactions between consolidated companies, which are not realised through transactions with third parties, are eliminated.

The entities included in the scope of consolidation all closed their financial year on 31 December.

Changes in ownership interests in subsidiaries that do not result in a loss of control or that represent increases subsequent to the acquisition of control are recognised in changes in equity.

In preparing the Consolidated Financial Statements, all effects and balances arising from transactions between Group companies are eliminated, as are unrealised gains and losses on intra-Group transactions.

Consolidation Area

The Group's consolidation scope has changed from the previous year and includes the company Mexedia S.p.A. Società Benefit (parent company), the 75% subsidiary Telvantis Inc. The company Telvantis Inc in turn owns 100% of the subsidiary Telvantis Voice Service, which owns 100% of the company Mexedia DAC

The list of companies included in the scope of consolidation is detailed in the table below:

Company	Registered office	Location	%	Date of entry
Mexedia S.p.a. SB	Italy	Group leader		
Telvantis Inc	USA	Checked	75	09/09/2024
Baasbox srl	Italy	Checked	100	

Telvantis Inc, a 75% subsidiary of the parent company, is a company incorporated under US law with its registered office in Florida (U.S.A.), 1680 Michigan Avenue Suite 700 - Miami Beach - 33139.

In October 2024, the Telvantis Company acquired, through a share swap agreement, all the outstanding shares of Mexedia Inc, a Florida-based company, and Mexedia DAC (DAC), an Irish company. Both companies operate in the telecommunications sector. Mexedia Spa, holds 75% of the company Telvantis Inc.

Telvantis Voice Service, a wholly-owned subsidiary of Telvantis Inc, is a company incorporated under the laws of the United States of America with its registered office in Florida (U.S.A.) 1680 Michigan Avenue Suite 700 - Miami Beach - 33139 No. P20000072185.

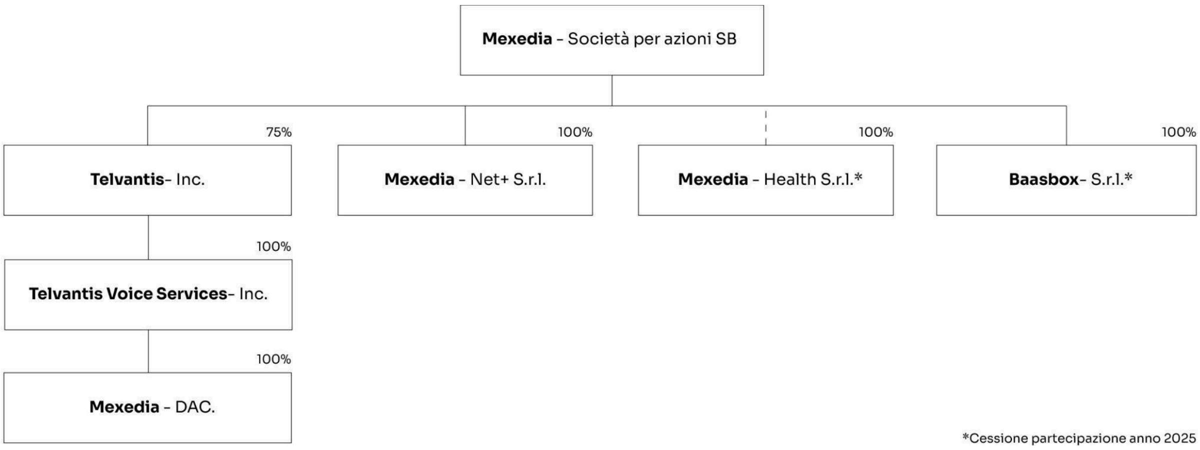
Mexedia DAC, a company incorporated under the laws of Ireland with its registered office at Dublin, 17 Clanwilliam Square, Grand Canal Quay, incorporated on 04/04/2017 and registered under No. 601653. The company name is changed as of 26/02/2024, from Mexedia Ltd to Mexedia DAC.

With regard to the scope of consolidation, please note that the companies Mexedia Health S.r.l., and Mexedia Net+ S.r.l., all with registered offices in Rome at Via di Affogalasino No. 105, were not included in the consolidation area.

As of the date of this report, Mexedia Net+ S.r.l. is excluded from the scope of consolidation as an 'immaterial' entity (IFRS 10), while Mexedia Health S.r.l. is in liquidation.

The financial statements of the companies included in the scope of consolidation are prepared on a line-by-line basis.

The following graph summarises the scope of consolidation.



Comments on the main items in the consolidated income statement

1.1 Revenues

Consolidated revenues include termination activities for electronic services (voice and SMS), services related to the fintech platform and revenues from the Irish subsidiary, in addition to other service revenues recorded by the parent company. They are measured at the fair value of the consideration, net of trade and volume discounts, excluding VAT and other taxes.

The following table shows the breakdown of revenues with the change from the previous year, due to the suspension of the financial lines at the end of the financial year 2023 and reactivated in November 2024.

Revenues	2024	2023
Electronic service termination activities (voice and SMS)	72,752	323,177
Fintech platform services	99	488
Revenues from other services	-	158
Leases	48	48
	72,899	**323,871**

1.2 Cost of sales

Cost of sales consists of the acquisition costs of electronic service termination activities (voice and Sms), NOC costs, and other costs for network and maintenance services directly related to revenues. It is considered very attractive when compared to revenue volumes.

Cost of sales	2024	2023
Electronic Services Termination Activity (Voice Sms)	65,500	300,594
Salaries	0	0
Costs for services	0	1,048
	65,500	**301,642**

1.3 General and administrative expenses

The table below details general and administrative expenses. The decrease compared to 2023 is the result of the effect of the downsizing of costs related to operations and the reorganisation process implemented by management

General and administrative expenses	2024	2023
Consulting	51	2,373
Sales commissions	0	1,048
Staff and corporate bodies	2,276	3,414
Other expenses	26,511	1,295
	30,238	**8,130**

1.4 Depreciation

In addition to others, the Group has the following intangible assets in its assets:

- Customer Relationships in the amount of €9,340,000, as the value of commercial relationships acquired and valued separately from goodwill;
- Brands for Euro 1,317 thousand, as the value of acquired brands;
- Goodwill in the amount of €1,457,000 as the higher value compared to the estimated fair value of other intangible assets recognised in the financial statements of Mexedia Inc;

Also recorded under intangible assets of the parent company is the Mexedia ON messaging platform for €1,123 thousand and the A2P platform under completion for €3,000 thousand.

The estimated useful life of the intangibles recorded is as follows

- Customer Relationship: 10 years;
- Marks: 15 years;
- Goodwill: indefinite useful life to be tested for impairment annually;
- Mexedia ON and A2P: not subject to depreciation in the current tax period

Depreciation	2024	2023
Depreciation of Plant Costs	4	0
Amortisation Customer relationships	954	954
Trademark Amortisation	90	90
Depreciation of other assets	175	13
Amortisation of development costs	62	0
	1,285	**1,057**

1.5 Financial income (expenses)

Below is a breakdown of financial income (expenses). The change is related to the reduction in the utilisation of disinvestment lines and interest expenses related to the parent company's medium-term loan as well as the effect of foreign currency transactions.

Financial income (expenses)	2024	2023
Interest and Factoring Expenses	(2,901)	(4,762)
Foreign Exchange Gains (Losses)	0	(1,206)
	(2,901)	**(5,968)**

1.6 Other non-operating costs

Under the heading of other non-operating expenses, we highlight the provision for subsidiary companies' losses, which was set aside to cover the losses reported by Mexedia Net+ in liquidation S.r.l. and Mexedia Health S.r.l. for a total of euro 231 thousand, and the write-downs implemented by management on subsidiary companies' receivables.

1.7 Income Taxes

Income taxes for the year include current and deferred taxes recognised in the period by companies within the scope of consolidation.

The tax currently payable is based on the taxable profit for the period. Taxable income differs from net income as reported in the statement of comprehensive income because it does not take into account items of income and expenses that are respectively taxable or deductible in future years and also does not take into account items of income or expenses that will never be taxable or deductible respectively. The Group's liability for current taxes is calculated using the rates in effect at the end of the reporting period.

In view of the loss incurred by the group, the consolidated financial statements show a credit balance for taxes due to the calculation of deferred taxes.

The table below provides details of the income taxes recognised in the financial statements.

Income Taxes	2024	2023
Corporate Income Tax (Ireland)	1,261	(190)
Ires (Italy)	(292)	(846)
Irap (Italy)	(78)	(188)
Federal and State Income Tax (USA)	(3)	(489)
Deferred (prepaid) taxes	90	(297)
	1,178	**(2,010)**

Comments on the main items in the consolidated statement of financial position

2.1 Property, Plant, Machinery and Other Assets

Movements in tangible fixed assets are summarised in the table below.

Property, Plant, Machinery and Other Assets	Furniture and furnishings	Equipment	Other Assets	Total
Historical cost as at 31/12/23	76	8	16	100
Accumulated depreciation as at 31/12/23	(22)	(3)	(2)	(27)
Balance sheet value as at 31/12/23	54	5	14	73
Increases in the period	10	108	141	259
Decreases in the period	5	5	55	65
Depreciation for the period	(14)	(16)	(12)	(42)
Historical cost as at 31/12/2024	81	110	104	295
Accumulated depreciation as at 31/12/2024	(36)	(19)	(14)	(69)
Balance sheet value as at 31/12/2024	44	91	90	225

This item consists mainly of furniture and furnishings located in the operating offices as well as electronic office machines used in the conduct of business.

2.2 Start-up

Goodwill arises as a positive difference from the consolidation of the subsidiary Telvantis.

Goodwill is not amortised as it is an asset with an indefinite useful life. In this regard, at the end of each year, or when there are signs of impairment, the Group estimates, using the so-called *'Impairment test'*, the possible presence of impairment losses that may reduce the recoverable amount of goodwill to a value lower than the recognised net cost. In this case, this lower value is recognised in the Consolidated Statement of Comprehensive Income. Any impairment recognised cannot be reversed subsequently.

2.3 Other Intangible Assets and Advances

This item, amounting to €14,798,000, includes the following intangible assets:

- Customer Relationships in the amount of €8,406,000, as the value of commercial relationships acquired and valued separately from the goodwill of the subsidiary Mexedia Inc;
- Brands for euro 1,229 thousand, as the value of acquired brands;

- Mexedia ON for euro 1,122 thousand, as the messaging platform of the parent company Mexedia Spa;
- CRM software Scenario Management Solutions by the subsidiary Mexedia Dac for euro 75 thousand;
- A2P platform for euro 3,000 thousand under construction by Mexedia Spa;

2.4 Investments in subsidiaries

Changes in investments in subsidiaries are shown below.

Financial Fixed Assets - Equity Investments		
Cost		
Holdings as at 31 December 2023		736
New investments (+)		0
Disposals (-)		0
Other movements		(393)
Holdings as at 31 December 2024		343

During the year, the management considered it useful to carry out a reorganisation of the subsidiaries. This reorganisation resulted in some important choices.

Of note under other movements, the writedown prior to the sale of Baasbox S.r.l. (50), the write-down for the liquidation of Mexedia Net+ in liquidation S.r.l. (304), the write-down of Mexedia Health S.r.l. (39).

During the year, the sale of the investees Mexedia Dac and Mexedia Inc was also accounted for by receiving 75% of Telvantis Inc. in exchange.

The table below provides details of the participations.

Subsidiary Company	% Participation	Share capital in foreign currency	Balance sheet value in euro
Mexedia Net+ Srl	100%	EUR 100	304
Mexedia Health Srl	100%	25 EUR	39
			343

Both participations, as at 31 December 2024, were written down through the creation of a provision for the impairment of investee companies.

2.5 Trade receivables and short-term loans

The carrying value of trade receivables and short-term loans reflects their *fair value* due to their short-term maturity and the nature of these instruments.

The table below provides details of the two items.

	2024	2023
Trade receivables subsidiaries	32,272	62,301
Parent company trade receivables	35,754	28,088
Financial receivables from subsidiaries	167	0
Trade receivables from parent companies	22	0
Financial receivables from parent companies	0	4.040
Financial receivables from others	4,886	2,891
	73,101	**97,320**

More details on related party and intra-group transactions are provided in the 'Other Information' section of these explanatory notes.

The overall change in this item compared to the previous year is therefore closely related to the reduction in turnover and the scope of consolidation and the write-off of certain receivables recognised in the financial statements last year.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits and other short-term investments that are readily convertible into cash and are subject to an insignificant risk of change in value.

Cash and cash equivalents at the date of these financial statements as shown in the cash flow statement are detailed in the diagram below, which shows the changes compared to the previous year:

Cash and cash equivalents

	2024	2023
Case	-	2
Cash at bank	1,695,887	548,017
	1,695,887	548,019

Cash at bank refers to the parent company for Euro 319 thousand, to the US group Telvantis Inc. for Euro 1,368 thousand, and to the Italian subsidiary Baasbox S.r.l. for Euro 9 thousand.

2.7 Share Capital

The subscribed and paid-up share capital as at 31 December 2024 amounted to EUR 57,000,000 and was represented by 5,700,000 ordinary shares issued without any indication of their nominal value.

2.7 Other Reserves

Other reserves consist of euro 444 thousand from allocations to the legal reserve of the parent company's profits, euro 8,438 thousand from allocations to the parent company's extraordinary reserve, and euro (107) thousand from the negative reserve for the purchase of treasury shares by the parent company.

2.7 Translation Reserve

The translation reserve of euro (162) thousand resulted from the translation into euro of the financial statements of the American company Mexedia Inc. whose original values are expressed in dollars.

2.7 Retained earnings

Retained earnings of 1,431 determined by the item retained earnings of Mexedia Dac.

2.8 Current Taxes and Deferred Tax Provision

The item tax payables as at 31 December 2024 amounting to Euro 2,534 thousand is broken down as follows:

	2024	2023
CIT Mexedia Dac tax payables	(37)	190
Baasbox income tax liabilities (Ires/Irap)	9	0
Parent company income tax payables (Ires/Irap)	1,075	983
VAT payables Mexedia Dac	0	10
Baasbox tax debts	285	
Payables for parent company withholding taxes	378	245
Payables for withholding tax Mexedia Dac	0	4
Payables for Baasboox withholding taxes	157	
Income tax payables Mexedia Inc.	287	479

Income tax payables Raadr	380	
	2,534	**1,911**

2.9 Employee benefits

Employee benefits under Italian law include the Italian termination indemnity (TFR) which, for companies with more than 50 employees, reflects the Group's residual obligation relating to the indemnity paid to employees until 30 June 2006. For companies with less than 50 employees, the indemnity is recognised throughout the working life.

The total allowance will be paid when the employee leaves, under specific conditions or partially in advance during the working life.

The provision set aside represents the company's actual debt as at 31 December 2024 to the parent company's employees in force at that date, net of advances paid.

The accrued provision represents the actual debt accrued in accordance with the law and current employment contracts, taking into account all forms of remuneration of an ongoing nature.

In verifying the value of the provision for severance indemnities, no substantial changes were determined that would lead to an actuarial valuation of the value recorded in the financial statements.

2.10 Short-Term Financing

As at 31 December 2024, short-term borrowings amounted to Euro 327 thousand and consisted of Euro 267 thousand of the within portion of the payable to Banca Progetto in spa, Euro 7 thousand of credit card payables and Euro 52 thousand of payables to Baasbox banks (of which Euro 11 thousand related to financing).

2.11 Trade Payables

As at 31 December 2024, trade payables amounted to Euro 59,237 thousand.

Trade payables that are initially recognised at fair value, adjusted for any directly attributable transaction costs, are subsequently measured at amortised cost. For current trade payables, the amortised cost actually coincides with the nominal value.

	2024	2023
Parent company trade payables	32,792	11,731
Trade payables Mexedia Dac	2,146	10
Trade payables Mexedia Inc	23,818	9,424
Trade payables Raadr	42	
Baasbox trade payables	49	
Invoices to be received parent company	421	12,057
Invoices to be received Mexedia Dac	0	3,314
Invoices to be received Mexedia Inc	0	20,520
Invoices to be received Baasbox	24	
Credit notes receivable parent company	(5)	(238)
Credit notes to be received Mexedia Dac	(50)	-
	59,237	**56,818**

2.12 Other Current Liabilities

Payables for other current liabilities as of 31 December 2024 amounting to Euro 1,484 thousand consisted mainly of accrued and unpaid amounts due to employees and directors, and payables to social security institutions as detailed in the following table:

	2024	2023
Payables to parent company employee benefit institutions	307	208
Payables to Baasbox employee benefit institutions	61	
Payables to parent company directors	145	65
Payables to Baasbox directors	2	
Payables to parent company employees	82	65
Payables to Baasbox employees	80	
Payables to Mexedia Dac employees	20	7
Other debts	787	424
	1,484	**769**

2.15 Provisions and other non-current liabilities

The item Provisions and other non-current liabilities as of 31 December 2024, amounting to Euro 604 thousand, mainly consisted of provisions made by the parent company for losses incurred by the unconsolidated subsidiaries Mexedia Health S.r.l. and Mexedia Net+ S.r.l., which it will have to bear in 2025.

Other information

Atypical and/or unusual transactions

It should be noted that there were no positions or transactions arising from atypical and/or unusual transactions in the Group during 2024.

Reconciliation of equity and result for the year

Below is the reconciliation of the Parent Company's shareholders' equity and result for the period and the consolidated shareholders' equity and result for the period

	Net assets as at 31 December 2024	Profit (loss) Year 2024	Net assets as at 31 December 2023	Profit (loss) Year 2023
Parent company financial statements	61,875	1.801	65,788	6,917
Investments in subsidiaries	147	0	(57,000)	-
Shareholders' equity from parent company balance sheet	(51,849)	0	3,073	-
Difference between book value of equity investments and shareholders' equity of subsidiaries	57,403		54,999	
Profit (loss) from subsidiaries	(27,041)	(27,041)	-	2,818
Dividends from subsidiaries	0	(1,431)	-	(5,263)
Other corrections	177	15	(20)	(1)
Mexedia Group Consolidated Financial Statements	40,712	(26,656)	66,840	4,471

Related Party Transactions

In order to ensure compliance with the provisions of the law and, in particular, with the provisions of IAS 24 on corporate disclosure regarding related party transactions, the Company, during the financial year ended 31 December 2024, defined the criteria for identifying transactions concluded with the aforementioned related parties.

For the purposes of the provisions in force, it should be noted that significant transactions were carried out in 2024, but all of them were concluded at market conditions.

Transactions were carried out on the basis of evaluations of mutual economic benefit, just as the definition of the conditions to be applied was carried out in accordance with fairness, and therefore no atypical and/or unusual transactions were carried out that in terms of significance and/or relevance could give rise to doubts as to the safeguarding of the company's assets and the protection of minority shareholders.

Among the intercompany transactions of the parent company Mexedia S.p.a. SB, the Management Service Agreement entered into with the Irish subsidiary Mexedia Dac, which provided for the provision of administrative, financial, ICT and operational services for an annual fee of euro 1,400 thousand, was terminated.

An intercompany economic and equity relationship of the parent company Mexedia S.p.a. SB is that for services related to the development of the Mexedia ON platform received, inter alia, from the subsidiary Baasbox S.r.l. for euro 1,122 thousand

Important economic and financial relations are those related to the voice and messaging activities existing between Mexedia Dac, Mexedia Inc, Phonetime Inc. and Matchcom Telecommunications Inc.

Also present are:

- Loan contract with Mexedia Dac opened for EUR 270,000;
- Loan contract with Mexedia Inc opened for euro 82 thousand;

Other intra-group economic and financial transactions are represented by financial receivables/payables that the parent company Mexedia S.p.a. SB has with the subsidiaries Mexedia Health S.r.l., Mexedia Net+ in liquidation S.r.l., and with Baasbox S.r.l..

Remuneration of directors, committees, auditors and auditor

Directors' emoluments for the year 2024 amounted to Euro 295,000, of which Euro 76,000 for the Committees.

The emoluments of the Board of Statutory Auditors for the year 2024 amounted to Euro 34,000.

	2024	2023
Directors' fees	295	330
Statutory auditors' fees	34	26
Total	**356**	**356**

The Group recognised the auditing companies during the financial year just ended:

	2024	2023
Fees to the auditors of Mexedia Spa	35	32
Fees to the auditors of Mexedia Dac	24	24
Mexedia Inc auditors' fees	31	31
Total	**90**	**87**

Authorisation for publication

The annual financial report, including the draft consolidated financial statements of the Group for the year ending 31 December 2024, the draft financial statements for the year, the single management report and the certification required by Article *154-bis*, paragraph 5 of Legislative Decree 58/1998 (T.U.F.), in accordance with the provisions of Article *154-ter*, paragraph 1 of Legislative Decree 58/1998 (T.U.F.), was authorised for publication by the Board of Directors on 27 March 2025.

Significant events occurring after the end of the financial year

For a description of the main events occurring after the end of the financial year, please refer to the relevant section of the Report on Operations.

These Consolidated Financial Statements, consisting of the Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements, give a true and fair view of the financial position, results of operations and cash flows and correspond to the accounting records of the Parent Company and the companies included in the consolidation.

Rome, 27 March 2025

For the Board of Directors

Elio Cosimo Catania

(President)

Orlando Taddeo

(Chief Executive Officer)

Annual financial statements of Mexedia S.p.a. Benefit Company

Schedules of the annual financial statements

Profit and Loss Account

	Notes	31 December 2024	31 December 2023
Revenues	3.1	29,708	34,254
Cost of sales	3.2	(24,723)	(27,082)
Gross margin		4,985	7,172
General and administrative expenses	3.3	(3,661)	(3,688)
Other operating costs		(4)	(6)
Depreciation		(13)	(2)
Operating profit		1,305	3,476
Financial income (expenses)	3.4	1,407	5,254
Other non-operating income		308	40
Other non-operating costs	3.5	(850)	(522)
Profit (loss) before tax		2.171	8,248
Income Taxes	3.6	(370)	(1,331)
Net profit (loss) for the period		1,801	6,917
Attributable to:			
Parent company		1,801	6,917
Third parties			
		1,801	6,917

MEXEDIA
Fast, easy, safe.

Statement of Comprehensive Income

	31 December 2024	31 December 2023
Net profit (loss) for the period	1,801	6,917
Other Components of the Comprehensive Income Statement		
Other comprehensive income components that can be reclassified profit (loss) in subsequent periods (after tax)		
Exchange rate differences for translation and foreign operations		
Other comprehensive income components attributable to associates		
Revaluations of property, plant and equipment		
Actuarial gains (losses) from benefit plans		
Other comprehensive income components attributable to associates		
Total other comprehensive income components that will not be reclassified Profit (loss) in subsequent periods		
Other comprehensive profit (loss) for the period after tax	-	-
Total comprehensive profit (loss) for the period	1,801	6.,
Attributable to:		
Parent company	1,801	6,917
Third parties		
	1,801	1,931

MEXEDIA
Fast, easy, safe.

Statement of financial position

Activities	Notes	31 December 2024	31 December 2023
Non-current Assets			
Property, Plant and Equipment	4.1	22	16
Other Intangible Assets	4.2	4,127	650
Investments in subsidiaries	4.3	52,193	57,736
Other financial assets		2,086	1
Total non-current assets		58,428	58,403
Current Assets			
Trade and other receivables	4.4 e 4.5	45,784	28,207
Taxes and other current assets		0	4,376
Cash and cash equivalents	4.6	319	427
Prepaid expenses		0	33
Total current assets		46,103	33,043
Total assets		104,531	91,446
Equity and Liabilities			
Net assets			
Share Capital	4.7	57,000	57,000
Other reserves	4.7	3,074	1,884
Retained earnings	4.7	(0)	(13)
Operating profit		1,801	6,917
Total Net Assets		61,875	65,788
Non-current liabilities			
Due to banks		4,673	0
Provisions for risks & charges	4.13	582	
Deferred tax liabilities	4.8	53	44
Personnel-related funds	4.9	77	57
Total non-current liabilities		5,385	101
Current liabilities			
Due to banks		274	
Trade payables	4.10	33,330	23,563
Other financial liabilities		1,512	
Current taxes	4.11	1,454	1,228
Other current liabilities	4.12	700	519
Provision for other current liabilities		0	247
Total current liabilities		37,270	25,557
Total liabilities		42,655	25,658
Total net assets liabilities		104,530	91,446

Statement of Changes in Equity

	Share Capital (a)	Legal reserve (b)	Other Retained Earnings Reserves (Losses Carried Forward) (c)	Other movements (d)	Profit (loss) for the period (e)	Total (a+b+c+d+e) =f
Budget as at 1 January 2024	57,000	99	1,785	(13)	6,917	65,788
Intended use 2023:						
-Accrual Other reserves/profits carried forward	-	346	6,576	-	(6,917)	-
Negative reserve of own shares	-	-	(18)	-	-	(0)
Other movements (IAS 38 rounding)	-	-	(5,701)	-	-	(5,701)
Net profit (loss) for the period	-	-	-	-	1,801	1,801
Balance sheet as at 31 December 2024	57,000	444	2,642	(13)	1,801	61,875

Statement of Cash Flows

A) Cash flow from current assets	31 December 2024	31 December 2023
Profit (loss) for the period	1,801	6,917
Taxes	370	1,331
Dividends	(1,431)	(5,263)
Interest payable (receivable)	261	8
Profit (loss) for the year before taxes, interest, dividends, gains/losses on disposal	1,001	2,993
Adjustments of non-monetary items had no counterpart in net working capital:		
Provisions to Funds	320	348
Other non-monetary adjustments	0	60
Depreciation/depreciation of fixed assets	13	2
Total adjustments of non-monetary items did not have a balancing entry in net working capital	0	410
2) Cash flow before changes in net working capital	333	3,403

Changes in net working capital		
Decrease (increase) in trade receivables	(8,280)	(28,138)
Increase (decrease) in trade payables	9,768	23,357
Decrease (increase) in accrued income and prepaid expenses	9	(11)
Increase (decrease) in accrued expenses and deferred income	0	-
Other decreases (increases) in net working capital	(5,992)	173
Total changes in net working capital	1,542	(4,619)
3) Cash flow after changes in net working capital	(4,495)	(1,216)
Other corrections:		
Interest received (paid)	(261)	(8)
Dividends received (paid)	1,431	2,815
Income Taxes Paid	(145)	(4)
(Use of funds)	(187)	-
Total other adjustments	838	2,803
Cash flow from current assets (a)	(2,323)	1,587
B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(15)	(11)
Intangible fixed assets		
(Investments)	(3,473)	(538)
Financial fixed assets		
(Investments)	5,543	(611)
Financial assets not held as fixed assets		
(Investments)	(577)	
Cash flow from investing activities (b)	1,479	(1,160)
C) Cash flow from financing activities		
Third-party means:		
Funding start-up	6,455	-
Own means:		
Change in net assets	(5,719)	
Paid-in capital increase		-
Cash flow from financing activities (C)	736	-
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(108)	427
Cash and cash equivalents at the end of the period		
Bank and postal deposits	319	427
Case		

Total cash and cash equivalents at the end of the period	320	427

MEXEDIA

Annual financial statements of Mexedia S.p.a. Benefit Company

Notes to the Financial Statements

Accounting Principles, Valuation Criteria

Principles for the Preparation of Financial Statements

Reference Accounting Principles and Financial Statement Schedules

These Financial Statements for the year 2024 have been prepared in accordance with the International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC'), as well as previous International Accounting Standards (IAS) and previous interpretations of the *Standard Interpretations Committee* ('SIC') still in force, endorsed by the European Commission.

IFRS also includes all revised International Accounting Standards ('IAS') and all interpretations of the International Financial Reporting Interpretations Committee ('IFRIC'), formerly known as the Standing Interpretations Committee ('SIC').

The accounting principles adopted for the preparation of the Financial Statements as at 31 December 2024 are consistent with those used for the preparation of the Financial Statements as at 31 December 2023.

In particular, it was prepared in compliance with the provisions of Article 154-ter of Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Act - TUF), as amended and supplemented, and in application of IAS 34.

These Financial Statements consist of the Financial Statements (Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flows), accompanied by the Notes to the Financial Statements in accordance with IAS 1 'Presentation of Financial Statements', and give a true and fair view of the financial position, results of operations, changes in shareholders' equity and cash flows for the year 2024.

With regard to the manner in which the financial statements are presented, within the scope of the options provided by IAS 1, the 'current/non-current' distinction has been adopted for the statement of financial position, for the income statement and statement of comprehensive income the step-by-step format with the classification of costs by function, and for the cash flow statement the indirect presentation method.

In the presentation of these statements, comparative figures are shown as required by IAS 34 (31 December 2023 for the statement of financial position, statement of changes in equity, income statement and cash flow statement).

In accordance with IAS 24, the following paragraphs highlight related party transactions and their impact, if significant, on the financial position, results of operations and cash flows.

Drafting Principles

The general principle adopted in preparing these financial statements is that of cost, except for those assets and liabilities for which international accounting standards require the use of fair value.

The financial statements have been drawn up in euros, the currency used in the economies in which the company mainly operates.

The financial statements and values in the Notes to the Financial Statements are shown in thousands, unless otherwise indicated.

The preparation of the financial statements required the use of estimates by management based on the best information available at the date the financial statements were prepared. Estimates and assumptions are reviewed periodically and the effects of any changes to them are reflected in the income statement of the period in which the estimate is revised if the revision affects only that period, or in subsequent periods if the revision affects both the current and future periods.

Evaluation Criteria

Property, Plant and Machinery

According to Accounting Standard IAS 16 (Property, Plant and Equipment), Property, Plant and Equipment consist of assets of lasting use, used in the production or supply of goods and services, or for administrative purposes and, therefore, neither held for sale nor for investment purposes. This item, therefore, includes tangible assets and advances to suppliers, against the purchase of the tangible assets themselves, having long-term economic utility.

Property, Plant and Equipment are initially recognised at cost, which includes, in addition to the purchase or production price, directly attributable incidental expenses, or expenses necessary to make the assets ready for the use for which they were acquired.

The company adopts the cost method and, therefore, the value of an asset recorded in the financial statements at cost is adjusted by systematic depreciation from the moment the asset is available and ready for use, based on its useful life. The systematic nature of depreciation is defined in the depreciation schedule based on the value to be depreciated, the duration of depreciation and the criteria for allocating the value to be depreciated.

The estimated useful life for the various categories of assets is represented by the following rates:

- Office machines 12.5%-20%
- Furniture and furnishings 12.5%
- Other assets 20%

The residual value and useful life of tangible assets are reviewed annually and updated, where necessary, at the end of each financial year. The carrying value of an asset is maintained in the balance sheet to the extent that there is evidence that this value can be recovered through use. In determining whether the carrying value exceeds the recoverable amount, each significant item of property, plant and equipment is assessed separately, based on its useful life; however, it is permissible to group together several items whose estimated useful life is similar.

Other intangible assets with a finite useful life

Other purchased or internally-generated intangible assets with a finite useful life are recognised as assets, in accordance with IAS 38 (Intangible Assets), when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably.

These assets are recognised at purchase or production cost and depreciated on a straight-line basis over their estimated useful lives; depreciation rates are reviewed on an annual basis and are changed if the current estimated useful life differs from that previously estimated. The effects of these changes are recognised in the separate income statement on a prospective basis. Borrowing costs related to the acquisition, construction or production of certain assets that require a significant period of time to be ready for use or sale are capitalised together with the asset itself.

Equity Investments

Acquisitions in equity investments are accounted for at the fair value of the consideration plus directly attributable costs.

In addition, a significant and prolonged decline in the fair value of the investment below its initially recognised cost is considered objective evidence of impairment.

A subsidiary company is defined as a company over which Mexedia S.p.A. SB has the power to directly or indirectly determine its financial and management policies and to benefit from them. The existence of control is presumed when more than half of the actual or potentially exercisable voting rights are held at the reporting date.

An affiliated company is defined as a company in which significant influence is exercised. Such influence is presumed when more than 20% of the actual or potentially exercisable voting rights are held at the reporting date.

The Company reviews, at least annually, the recoverability of the carrying value of investments to determine whether there is any indication that those assets may be impaired. If such evidence exists, the carrying value of the assets is reduced to its recoverable amount. An intangible asset with an indefinite useful life is tested for impairment annually, or more frequently whenever there is an indication that the asset may be impaired.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. To determine the value in use of an asset, the Company calculates the present value of estimated future cash flows, pre-tax, by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the recoverable amount is less than the carrying amount. Except for impairment losses recognised for goodwill, when the circumstances giving rise to the loss cease to exist, the carrying amount of the asset is increased to the recoverable amount and may not exceed the amount that would have been determined had no impairment loss been recognised. The reversal of an impairment loss is recognised immediately in the income statement. The Company accounts for dividends from subsidiaries, associated or affiliated companies in its income statement when the right to receive such dividends arises.

Trade receivables

Trade receivables included in current or non-current assets upon initial recognition are measured at fair value. If there is objective evidence of indicators of impairment, the asset is reduced to an amount equal to the present value of its expected cash flows.

Trade receivables are written down in full when there is no reasonable expectation of recovery, i.e. when there are inactive trade counterparties. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. When collection of the consideration is deferred beyond the normal commercial terms charged to customers, the receivable is discounted.

Short-term financing

Receivables arising from the provision of funds by the company to third parties are classified as current assets except when the maturity exceeds twelve months from the balance sheet date with respect to non-trade receivables.

Financial receivables are valued, if they have a fixed maturity, at amortised cost calculated using the effective interest method. When financial assets do not have a fixed maturity, they are measured at cost.

Taxes and other current assets

Taxes recognised in the income statement represent the amount for current income taxes and deferred taxes.

The income tax charge for the year is determined in accordance with current legislation. Income taxes are recognised in the income statement, except for those relating to items directly debited or credited to equity, in which case the tax effect is recognised directly in equity.

Deferred tax assets/liabilities are calculated on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements, with the exception of differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future. Deferred tax assets on tax loss carryforwards are recognised to the extent that it is probable that future taxable income will be available against which they can be recovered. Tax assets and tax liabilities are offset, separately for current and deferred taxes, when income taxes are levied by the same taxation authority and when there is a legal right of set-off. Deferred tax assets and deferred tax liabilities are determined using the tax rates that are expected to apply in the periods in which the temporary differences reverse.

Cash and cash equivalents

Cash and cash equivalents, consisting of actual existing funds, recorded under Current Assets in the Statement of Financial Position, are represented by: cash and cash equivalents, bank cheques and bank drafts existing at the main cash office, deposits with banks and credit institutions in general. Cash equivalents are recorded at nominal value and include securities that meet the requirements of high liquidity, availability on demand or very short-term and an irrelevant risk of change in value.

Severance pay

The Staff Severance Provision (TFR), which is mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, is in the nature of deferred compensation and is related to the length of employees' working lives and the salary received during their period of service. In application of IAS 19 (Employee Benefits), the TFR calculated in this way assumes the nature of a 'Defined Benefit Plan' and the relative obligation to be recognised in the financial statements (TFR provision) is determined through an actuarial calculation.

Since 1 January 2007, Italian law has provided for workers to be able to choose whether to allocate their accruing TFR to supplementary pension funds or to the company to which they belong. Companies with at least 50 employees are obliged to pay this TFR to the 'Fondo di Tesoreria' managed by INPS. Consequently, the obligation to INPS and the contributions to supplementary pension schemes have assumed the nature of 'Defined Contribution Plans' under IAS 19. Current employee benefits relating to wages and salaries, social security and pension contributions, accrued holiday leave not taken within twelve months of the balance sheet date, and other fringe benefits arising from the employment relationship are recognised in the period in which the service is rendered. Benefits that will be paid to employees upon termination of employment through defined benefit or defined contribution pension plans are recognised throughout the period in which the employee renders service.

The company provides post-employment benefits for its employees either directly or by contributing to funds outside the company.

Payments related to defined contribution plans made are recognised as an expense in the income statement when incurred.

In verifying the value of the staff severance fund, no substantial changes were determined that would lead to an actuarial valuation of the value recorded in the balance sheet.

Financial liabilities

Financial liabilities are recorded at fair value, net of any directly attributable transaction costs.

After initial recognition, loans are recognised using the amortised cost method, calculated by applying the effective interest rate. With the introduction of IFRS 9, in the case of the renegotiation of a financial liability that does not qualify as an 'extinguishment of the original debt', the difference between (i) the carrying amount of the liability prior to modification and (ii) the present value of the cash flows of the modified debt, discounted at the original rate (IRR), is recognised in profit or loss. Gains and losses from subsequent mark-to-market valuations are recognised in profit or loss and are offset by the effective portion of the loss and gain from subsequent mark-to-market valuations of the hedging instrument. Upon initial recognition, a liability may be designated as at fair value through profit or loss when such designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'accounting asymmetry') that would otherwise arise from measuring assets or liabilities or recognising the related gains and losses on different bases. This designation at fair value is exclusively applied to certain financial liabilities denominated in foreign currencies that are hedged against exchange rate risk.

Trade liabilities, the maturity of which falls within normal commercial terms or for which there are no significant financial components, are not discounted.

Trade payables

Trade payables are measured, upon initial recognition, at fair value, normally equal to nominal value, net of discounts, returns or billing adjustments, and are subsequently measured at amortised cost.

Revenues and Costs

Revenues and expenses are recognised to the extent that it is probable that economic benefits will flow or flow and their amount can be reliably determined. Revenues are recognised in accordance with IFRS 15 at the fair value of the consideration received net of returns, discounts, rebates and recognised on an accrual basis. Costs are recognised on an accrual basis.

In particular, the Company proceeds to recognise revenue only if the following requirements are met (so-called 'contract' identification requirements with the customer):

a. the parties to the contract have agreed to the contract (in writing, orally or in accordance with other customary commercial practices) and have undertaken to perform their respective obligations; there is thus an agreement between the parties that creates enforceable rights and obligations irrespective of the form in which that agreement is manifested;

b. the Company may identify the rights of each party with respect to the goods or services to be transferred;

c. the Company may determine the terms of payment for the goods or services to be transferred;

d. the contract has commercial substance and it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

If the above requirements are not met, the relevant revenues are recognised when:

(i) the Company has already transferred control of the goods and/or rendered services to the customer and all, or almost all, of the consideration promised by the customer has been received and is non-refundable;

(ii) the contract has been dissolved and the consideration received by the Company from the customer is non-refundable.

Financial Income and Charges

They include all items of a financial nature recognised in profit or loss for the period, including interest expense accrued on borrowings, calculated using the effective interest method (mainly current account overdrafts, medium/long-term borrowings), foreign exchange gains and losses, gains and losses from derivative financial instruments, dividends received, and the portion of interest expense arising from the accounting treatment of leased assets (IFRS 16) and personnel-related provisions (IAS 19). Interest income and expenses are recognised in the income statement in the period in which they are realised/incurred, with the exception of capitalised expenses (IAS 23).

Dividends

Dividends are recognised on an accrual basis, i.e. at the time when, following the distribution resolution by the investee, the relevant entitlement arises. In accordance with IAS 27 Revised 'Separate Financial Statements', dividends distributed by subsidiaries, associates and joint ventures are recognised as a reduction of the value of the investment.

Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising from the settlement of monetary items or their translation at rates different from those at which they were translated at the time of initial recognition in the financial year or in previous financial statements are recognised in the income statement.

Recoverable amount of non-current assets

Non-current assets include Property, Plant and Equipment, Goodwill, Other Intangible Assets, Investment Property, Equity Investments and Other Financial Assets. The Company periodically reviews the carrying value of non-current assets held and used and assets to be disposed of, when facts and circumstances require such a review. When the carrying amount of a non-current asset is impaired, the Company recognises an impairment loss equal to the excess of the carrying amount of the asset over its recoverable amount through use or sale, determined by reference to the cash flows inherent in the most recent business plans.

Recoverability of Deferred Tax Assets

The Company has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses that can be carried forward. In determining the estimated recoverable amount, the Company considered the results of the business plan, consistent with those used for impairment tests. The net deferred tax assets thus recognised refer to temporary differences and tax losses that, to a significant extent, can be recovered in an indefinite period of time, therefore compatible with a context in which the exit from the current situation of difficulties and uncertainties and the economic recovery should extend beyond the time horizon implicit in the above-mentioned forecasts.

Pension plans and other post-employment benefits

Employee benefit provisions and net interest expense are measured using an actuarial method that requires the use of estimates and assumptions to determine the net value of the obligation. The actuarial method considers parameters of a financial nature such as, for example, the discount rate and salary growth rates, and considers the probability of occurrence of potential future events through the use of parameters of a demographic nature, such as, for example, mortality rates and employee resignation or retirement.

Provision for bad debts

The allowance for doubtful accounts reflects management's estimate of expected losses related to the receivables portfolio. The Company applies the simplified approach provided for by IFRS 9 and records expected losses on all trade receivables on the basis of residual duration, defining the allocation based on historical experience of credit losses, adjusted to take into account specific forecast factors related to creditors and the economic environment (the Expected Credit Loss - ECL concept).

Contingent liabilities

The Company recognises a liability for ongoing litigation and lawsuits when it considers it probable that a financial outlay will be incurred and when the amount of the resulting losses can be reasonably estimated. If a financial outlay becomes possible but the amount cannot be determined, this fact is disclosed in the notes to the financial statements.

Depreciation

The cost of fixed assets is depreciated on a straight-line basis over their estimated useful life. The economic useful life of the Company's fixed assets is determined by the Directors at the time of purchase; it is based on historical experience gained over the years of activity and knowledge of any technological innovations that may render the fixed asset obsolete and no longer economical. The Company periodically evaluates technological and industry changes to update the remaining useful life. This periodic update could result in a change in the depreciation period and therefore also in the depreciation charge for future years.

Income Taxes

The Company is subject to Italian income tax legislation. The determination of the tax liability requires the use of management judgements with reference to transactions whose tax implications are uncertain at the balance sheet date.

Fair value

IFRS 13 is the reference for *fair value* measurement and related disclosures when such measurement is required or permitted by other accounting standards.

Specifically, the standard defines fair value as the price that would be received for the sale of an asset or paid for the transfer of a liability in a regular transaction between market participants at the measurement date.

Business continuity

In preparing the Financial Statements as at 31 December 2024, the Directors consider the going concern assumption to be appropriate.

Based on the results achieved in the current year and the forecasts for future years, the directors believe that there are no elements that make going concern uncertain. In particular, the company's equity solidity guarantees adequate financial autonomy to support Mexedia's operating needs and development programmes. For the year 2023, the company's operations are therefore guaranteed.

Use of Estimates

The preparation of the annual financial statements and related notes requires the application of accounting principles and methodologies that are sometimes based on complex subjective evaluations and estimates related to historical experience, and on assumptions that are from time to time considered reasonable and realistic depending on the relevant circumstances.

The application of these estimates and assumptions affects the information provided and the amounts reported in the balance sheet, income statement and cash flow statement, and consequently the statement of changes in equity.

The final values of the financial statements for which the aforementioned estimates and assumptions have been used may differ from those reported herein due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. A change in the conditions underlying the assumptions used could also have a significant impact on the financial statements. Estimates and assumptions are reviewed periodically and the effects of each change are recognised in the income statement at the same time.

The following is a summary of the critical valuation processes and key assumptions used by the Company in the IFRS application process and which may have significant effects on the values recognised in the Financial Statements or for which there is a risk that significant differences in value may arise with respect to the carrying value of assets and liabilities in the future.

Cash flow statement

The cash flow statement is prepared using the 'indirect' method, therefore, for the determination of cash flows from operating activities, the profit is adjusted for the effects of non-monetary transactions, the effects of changes in net working capital, and items related to cash flows from investing and financing activities. Net cash and cash equivalents are represented by cash and cash equivalents net of bank overdrafts.

Financial Risk Management

Financial risks to which the Company is exposed are Liquidity Risk, Currency Risk, Interest Rate Risk and Credit Risk.

Liquidity Risk

Liquidity risk arises from the possibility that available financial resources may not be sufficient to cover, in due time and manner, future disbursements generated by financial and/or commercial obligations. To cope with this risk, the Company's cash flows and credit line needs are monitored and managed centrally under the control of the Treasury with the aim of ensuring effective and efficient management of financial resources as well as optimising the debt maturity profile. Management believes that the funds currently available, in addition to those that will be generated by operating and financing activities, will allow the Company to meet its needs arising from investment activities, working capital management and the repayment of debts at their natural due dates, and will ensure an adequate level of operational and strategic flexibility.

Exchange rate risk

The Company operates in an international environment where transactions are conducted in currencies other than the euro, which exposes it to the risk of fluctuations in exchange rates.

Interest Rate Risk

This risk arises from the variability of interest rates and the impact this may have on future cash flows from variable-rate financial assets and liabilities. The company has no exposure to interest rate risk.

Credit risk

The company monitors and manages credit centrally. The trade receivables portfolio does not have any concentrations of credit risk. In addition, most trade receivables have a short-term time profile.

Comments on the main items of the income statement

3.1 Revenues

The Company's revenues mainly include income from the sale of messaging services.

An indication of the change in revenue compared to the previous year is given.

	2024	2023
Revenues from SMS services	29,707	32,696
Revenues from other services to subsidiaries	0	1,400
Revenues from other services	549	158
	30,256	34,254

Revenues in 2024 with a value of 30,256 thousand recorded a decrease of 3,998 thousand compared to the previous year related to the termination of the 1,400 thousand euro service agreement and the reduction in turnover due to the blocking of the disposal activities with the lender Lenderwize. They are measured at the *fair value* of the consideration, net of trade and volume discounts, excluding VAT and other taxes.

3.2 Cost of sales

Cost of sales of euro 24,483 thousand consisted mainly of costs for services directly related to revenues.

	2024	2023
Cost for services	24,483	27,082
	24,483	27,082

The cost of sales in 2024 decreased compared to 2023 and is directly related to the change in revenue.

3.3 Personnel Costs and General and Administrative Expenses

The most significant items that make up this item are personnel costs of euro 736 thousand, directors' fees and social security charges of euro 222 thousand, statutory auditors' fees of euro 34 thousand, auditing board fees of euro 35 thousand, supervisory board fees of euro 26 thousand, and committee fees. Also included in administrative expenses are corporate broking expenses of Euro 35 thousand, and other business-related services. Other relevant items included in the section include costs for commercial, technical and legal consultancy, advertising costs, and costs for office services.

Personnel costs during the year are broken down as follows:

	2024	2023
Wages and salaries	508	912
Social charges	186	192
Severance pay	39	32
Pension and similar benefits	0	4
Other costs	3	2
	736	**1,143**

3.4 Financial income (expenses)

Financial income and expenses include €1,431,000 related to the dividend for profits realised in 2023 by the subsidiary Mexedia DAC, the distribution of which was resolved in 2024.

3.5 Other non-operating costs

Non-operating costs amounted to Euro 848 thousand and consisted of provisions to cover losses of investee companies in the amount of Euro 231 thousand, sundry operating expenses in the amount of Euro 347 thousand, and lease and rental costs in the amount of Euro 269 thousand.

3.6 Income Taxes

The fiscal impact of the income statement for the year is detailed as follows:

	2024	2023
Current taxes	361	1,034
Deferred tax assets	-	-
Deferred taxes	9	297
	370	**1,331**

In 2024, current taxes amounted to Euro 361 thousand and deferred/prepaid taxes to Euro 9 thousand.

The significant decrease in current taxes resulted mainly from changes in the results for the year.

Comments on the main items in the statement of financial position

4.1 Tangible fixed assets

Property, plant and equipment consisted of other assets in the amount of euro 22 thousand compared to euro 16 thousand in 2023.

The breakdown of property, plant and equipment and the changes during the year are shown in the following table.

Balance Sheet Entries	Initial balance	Increases	Decreases	Ending balance
Land and buildings				
Plant and machinery				
Industrial and commercial equipment				
Other Assets	16	9	3	22
- Electronic office machines	3	9	0	12
- Cars and motorbikes	0	0	0	0
- Vehicles	0	0	0	0
- Goods other than the above	13	9	3	10
Assets under construction and advances				
Totals	16	9	3	22

Tangible assets, net of accumulated depreciation, amounted to Euro 22 thousand.

4.2 Intangible Fixed Assets

Intangible fixed assets amounted to euro 4,127 thousand and related to the implementation of the Mexedia ON messaging *front-end* that will actually come into operation in the year 2025 and the start of the implementation of the A2P platform that is expected to be connected

Balance Sheet Entries	Initial balance	Increases	Decreases	Ending balance
Start-up and expansion costs	9	0	4	5
Assets under construction and advances Mexedia ON	650	472	0	1,122
Assets under construction and payments on account A2P	0	3,000	0	3,000
Total	650	3,472	4	4,127

4.3 Investments in subsidiaries

The Company controls 100% of Mexedia Health S.r.l., Mexedia Net+ in liquidation S.r.l. and Baasbox S.r.l., as well as controlling 75% of Telvantis Inc, which owns Mexedia Inc and Mexedia Dac.

The company Mexedia S.p.a. SB, assessed and had the value of its equity investments appraised. As part of the analysis, the recoverable amount was checked using an asset-side approach by comparing the value in use ("value in use") of the relevant Cash Generating Unit with the carrying amount of its net invested capital ("carrying amount"). For the purposes of the valuation, the expected cash flows and revenues are based for the financial year 2024 on the figures in the financial statements, and for the financial years 2025-2027 on the estimates of the Business Plan prepared by the directors consistent with the expected development plans. The results of the analysis performed show that the recoverable values are higher than the book values.

4.4 Trade Receivables

Trade receivables from customers amounted to euro 36,487 thousand (euro 28,206 thousand in 2023) related to services rendered. Trade receivables include euro 43 thousand for invoices to be issued.

There are no trade receivables with a duration of more than five years

There is no difference between their market value and their book value.

These receivables do not present a collectability risk.

4.5 Taxes and Other Current Assets

Tax receivables and other current assets are broken down as follows:

- Financial receivables amounting to euro 6,859 thousand include euro 4,627 thousand in dividends to be collected and euro 270 thousand in receivables from the subsidiary Mexedia DAC, euro 82 thousand in receivables from the subsidiary Mexedia Inc. and euro 2,080 thousand in security deposits paid to the parent company Heritage Ventures for the future purchase of the company Fortytwo;

- tax receivables due within 12 months for Euro 4,321 thousand, of which Euro 4,176 thousand related to the annual VAT credit.

- receivables from others for euro 177,000 mainly for advances to suppliers.

4.6 Cash and cash equivalents

As at 31 December 2024, cash and cash equivalents amounted to Euro 320 thousand, Euro 427 thousand in 2023, broken down as follows:

Description	2024	2023
Bank deposits	320	427
Cheques	-	-
Cash and valuables on hand	-	-
Total	320	427

Please refer to the cash flow statement for an analysis of the events that led to changes in cash and cash equivalents.

4.7 Share Capital, Other Reserves and Retained Earnings (Losses)

The subscribed and paid-up share capital as at 31 December 2024 amounted to EUR 57,000,000 and was represented by 5,700,000 ordinary shares issued without any indication of their nominal value.

The item other reserves is made up of Euro 444 thousand from allocations to the legal reserve, Euro 8,438 thousand from allocations to the extraordinary reserve, and Euro (5,701) thousand from the negative reserve set up for the sale and repurchase transaction of the company Telvantis and (107) thousand for the negative reserve of treasury shares.

No dividends were distributed to shareholders in 2024.

4.8 Ordinary and Deferred Tax Liabilities

Other non-current liabilities amounted to euro 53 thousand for deferred tax liabilities. Deferred taxes accrued in the previous tax period were reversed following the payment of the 2022 dividend.

4.9 Severance pay

The provision of euro 77 thousand represents the company's actual debt as of 31 December 2024 to employees in force at that date, net of advances paid.

The accrued provision represents the actual debt accrued to employees in accordance with the law and current employment contracts, considering all forms of remuneration of an ongoing nature.

In the review of the staff leaving indemnity provision, no substantial changes were determined that would lead to an actuarial valuation of the value recorded.

Description	2024	2023
Provision for severance pay	77	44
Total	77	44

4.10 Trade payables

Trade payables amounted to euro 33,330 thousand and consisted of euro 32,914 thousand in trade payables, euro 421 thousand for invoices to be received, and euro 5 thousand for credit notes to be received:

Description	2024	2023
Payables to suppliers	32,914	11,744
Invoices to be received	421	12,057
Credit notes to be received	(5)	(238)
Total	33,330	23,563

4.11 Current Taxes

Tax payables amounted to Euro 1,453 thousand compared to Euro 1,228 thousand in 2023 and refer to withholding tax payables and income tax payables net of advances paid. Advances paid in the previous year are reclassified under tax receivables.

Tax debts	2024	2023
Ires/Irap payables	1,075	1,030
Ires c/conto	(0)	(32)
Irap on account	(0)	(15)
Payables for R.A.	378	245
Total	1,453	1,228

4.12 Other Current Liabilities

Other current liabilities amounted to euro 439 thousand and consisted of payables to social security institutions of euro 383 thousand and other payables of euro 56 thousand.

Payables to social security institutions	2024	2023
Payables to Inps employees/administrators	383	182
Payables to Inail	0	3
Payables to Social Security Funds	56	23
Total	439	208

Other debts	2024	2023
Payables to employees	15	37
Payables to employees - deferred remuneration	49	28
Payables to directors	69	65
Liabilities for demobilised severance pay	0	3
Payables for the purchase of Baasbox shares	82	174
Payables to collaborators	17	0
Payables for interbank services	0	4
Customer payables	22	0
Total	261	311

4.13 Provisions for liabilities and charges

The item Provisions for risks and charges as of 31 December 2024 amounting to euro 582 thousand is mainly composed of euro 478 thousand for provisions made by the parent company for losses incurred by the unconsolidated subsidiaries Mexedia Health S.r.l. and Mexedia Net+ S.r.l. in liquidation, which it will have to bear in 2025.

Other information

Atypical and/or unusual transactions

There were no atypical or unusual transactions, i.e., those outside the normal course of business or capable of significantly affecting the Company's financial position.

Related party and intra-group transactions

In order to ensure compliance with legal provisions and, in particular, with the provisions of Legislative Decree no. 173 of 3/11/2008 on corporate disclosure regarding transactions with related parties, during the year ended 31/12/2023, the company defined the criteria for identifying transactions concluded with the aforementioned related parties. For the purposes of the provisions in force, it should be noted that significant transactions were carried out during the financial year ending 31/12/2024, but all of them were concluded at market conditions. Transactions were carried out on the basis of evaluations of mutual economic convenience as well as the definition of the conditions to be applied was carried out in accordance with fairness and therefore no atypical and/or unusual transactions were carried out that due to their significance and/or relevance could give rise to doubts as to the safeguarding of the company's assets and the protection of minority shareholders.

Economic and financial transactions with related parties relate to:

- commercial transactions related to the messaging business with the subsidiary Mexedia Inc. for Euro 404 thousand;
- commercial transactions related to the messaging business with Mexedia DAC for €18,000;
- services related to the development of the Mexedia ON platform received from the subsidiary Baasbox S.r.l. for euro 121 thousand;
- Financial receivables of EUR 4.6 million related for EUR 4.4 million to dividends distributed by the subsidiary Mexedia DAC and EUR 270 thousand related to the Loan Agreement;
- Financial receivables in the amount of €82 thousand related to the Loan Agreement with Mexedia Inc;.

Remuneration of directors, committees, auditors and auditor

The emoluments paid to corporate bodies for the year 2024 are detailed in the following table:

Description	2024	2023
Directors' fees	158	250
Remuneration Board of Auditors	34	25
Audit Board Fees	35	32
Remuneration Supervisory Board 231	26	22
Compensation Manager	0	5
Fees Committees	76	80
Total	329	415

Average workforce

As of 31/12/2024, the Company had 9 employees. The employment contract applied is the "C.C.N.L.

Trade, Tertiary, Distribution and Services'.

Below is a breakdown of the average workforce for the year:

Description	2024	2023
Managers	2	2
Quadri	3	3
Employees	4	2
Apprentices	-	-
Total	9	7

Own shares

On 18 July 2022, the Ordinary Shareholders' Meeting authorised the purchase and disposal of treasury shares pursuant to and in accordance with Articles 2357 and *2357-ter* of the Civil Code and their implementing provisions and the EC Regulation, as well as French law as applicable.

The directors, following the mandate received, proceeded with the purchase of treasury shares to support the liquidity of the stock during the financial year.

As at 31 December 2024, the number of treasury shares held by the company was 7,107.

Significant events occurring after the end of the financial year

For a description of the main events occurring after the end of the financial year, please refer to the description given by the directors in the appropriate section of their report.

It should be noted that activities resumed regularly in 2025 and are recording important results that bode well for the achievement of the revenue and Ebitda values envisaged by management.

Proposal for Approval of the Budget and Allocation of the Result for the Year

Dear Shareholders,

At the end of these Notes to the Financial Statements, we invite you to approve the financial statements of Mexedia S.p.A. Società Benefit.

We propose that you resolve to allocate Euro 90 thousand to the legal reserve in the amount of Euro 1,801 thousand and Euro 1,711 thousand to the extraordinary reserve.

* * *

These financial statements, comprising an income statement, a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a cash flow statement and notes, give a true and fair view of the financial position, results of operations and cash flows and correspond to the accounting records.

Rome, 27 March 2025

For the Board of Directors

Elio Cosimo Catania

(President)

Orlando Taddeo

(Chief Executive Officer)

Certification of the Consolidated Financial Statements pursuant to Article *154-bis* of Legislative Decree 58/98

The undersigned Orlando Taddeo, in his capacity as Chief Executive Officer and person in charge of preparing the corporate accounting documents of Mexedia S.p.A. Società Benefit, certifies, also taking into account the provisions of Article *154-bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, the adequacy in relation to the characteristics of the company and the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements for the year ended 31 December 2024.

No major issues emerged in this respect.

They also certify that:

1. The Consolidated Financial Statements:

a) is prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) corresponds to the entries in the books and records;

c) is capable of providing a true and fair view of the assets and liabilities, profit and loss, and financial position of the issuer and the group of companies included in the consolidation.

2. The management report includes a reliable analysis of references to important events that occurred during the year and their impact on the consolidated financial statements, together with a description of the main risks and uncertainties.

The management report also includes a reliable analysis of information on material transactions with related parties.

Rome, 27 March 2025

Chief Executive Officer

Orlando Taddeo

Person in charge of preparing corporate accounting documents

Daniel Gilcher

Certification of the Financial Statements pursuant to Article *154-bis* of Legislative Decree 58/98

The undersigned Orlando Taddeo, in his capacity as Chief Executive Officer and person in charge of preparing the corporate accounting documents of Mexedia S.p.A. Società Benefit, certifies, also taking into account the provisions of Article *154-bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, the adequacy in relation to the characteristics of the company and the effective application of the administrative and accounting procedures for the preparation of the financial statements for the year ended 31 December 2024.

No major issues emerged in this regard.

They also certify that:

1. The Annual Report:

a) is prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) corresponds to the entries in the books and records;

c) is capable of providing a true and fair view of the assets and liabilities, profit and loss, and financial position of the issuer and the group of companies included in the consolidation.

2. The management report includes a reliable analysis of references to important events that occurred during the year and their impact on the financial statements, together with a description of the main risks and uncertainties.

The management report also includes a reliable analysis of information on material transactions with related parties.

Rome, 27 March 2025

Chief Executive Officer

Orlando Taddeo

Person in charge of preparing corporate accounting documents

Daniel Gilcher

MEXEDIA

Thank you for the kind attention