HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2025

TIM

This document has been translated into English for the convenience of the readers.
In the event of discrepancy, the Italian language version prevails.

SUMMARY

INTERIM REPORT ON OPERATIONS AT JUNE 30, 2025

BOARD OF DIRECTORS

The composition of the Board of Directors of TIM S.p.A. is as follows:

Chairman	Alberta Figari (independent)
Chief Executive Officer and General Manager	Pietro Labriola
Directors	Domitilla Benigni (independent)
	Paola Camagni (independent)
	Federico Ferro Luzzi (independent)
	Paola Giannotti De Ponti (independent)
	Giovanni Gorno Tempini
	Umberto Paolucci (independent)
	Stefano Siragusa (independent – pursuant to Consolidated Law on Finance)
Secretary to the Board	Agostino Nuzzolo

BOARD OF STATUTORY AUDITORS

The composition of the Board of Statutory Auditors of TIM S.p.A. is as follows:

Chairman	Francesco Fallacara
Standing Auditors	Anna Doro
	Massimo Gambini
	Francesco Schiavone Panni
	Mara Vanzetta
Alternate Auditors	Massimiliano Di Maria
	Laura Fiordelisi
	Paolo Prandi
	Carlotta Veneziani

Independent Auditors	EY S.p.A.

INTRODUCTION

The Half-Year Financial Report at June 30, 2025 of the TIM Group was prepared in compliance with Article 154–ter (Financial Reports) of Legislative Decree no. 58/1998 (Consolidated Law on Finance – CLF) as amended, and in accordance with IAS 34 (Interim Financial Reporting) and in compliance with the recognition and measurement criteria of the international accounting standards issued by the International Accounting Standards Board and endorsed by the European Union ("IFRS"), and with rulings issued under Article 9, Legislative Decree no. 38/2005.

The Half-Year Financial Report includes:

- the Interim Report on Operations;
- the Half-Year Condensed Consolidated Financial Statements;
- the certification of the Half-Year Condensed Consolidated Financial Statements pursuant to Article 81-ter of Consob Regulation 11971 dated May 14, 1999, as amended.

The Half-Year Condensed Consolidated Financial Statements at June 30, 2025 have undergone a limited scope audit.

In this Half-Year Financial Report at June 30, 2025, the Sparkle Group – which develops fiber optic networks for international wholesale customers – is classified as an Asset Held for Sale under IFRS 5, as all conditions necessary for the full sale of the investment held by TIM S.p.A. in TI Sparkle S.p.A. and the exit of the Sparkle Group from the scope of consolidation of the TIM Group (Domestic). For comparison purposes only, consolidated income and cash flow data already published in the Half-Year Condensed Consolidated Financial Statements at June 30, 2024 have been reclassified consistently, as required by IFRS 5.

In addition, following the sale of the entire investment held by TIM S.p.A. in FiberCop S.p.A. on July 1, 2024 – which in turn followed the assignment by TIM S.p.A. to FiberCop S.p.A. of a business unit consisting of primary network assets, the wholesale business and its entire investment in subsidiary Telenergia S.r.l. (the "NetCo Transaction**"**) – a section has been inserted below containing organic economic and financial information relating to the operating performance in the first half of 2024, reworked to provide like-for-like information and thus enabling a better understanding of business performance. Such organic information is prepared by simulating the separation operation of the fixed network, with the creation of the NetCo component and the consequent definition of the new TIM Group perimeter, as it had occurred at the start of the reference period (January 1). Therefore, for all organic data the **like-for-like** definition is used to highlight both organic information (Brazil Business Unit) and organic information as reconstructed above (TIM S.p.A, Domestic Business Unit, TIM Group), simulating for the first half of 2024, the impact of the relationship between TIM and NetCo/FiberCop, regulated by the Master Service Agreement (MSA).

The accounting policies and consolidation principles adopted are consistent with those applied for the TIM Group Consolidated Financial Statements at December 31, 2024, to which reference should be made for a full understanding, except for the amendments to the standards issued by IASB and adopted starting from January 1, 2025.

TIM Group, in addition to the conventional financial performance measures established by the IFRS Accounting Standards, uses **certain alternative performance measures** in order to present a better understanding of the trend of operations and financial condition.

Specifically, these alternative performance measures refer to: EBITDA; EBIT; organic change and impact of non-recurring items on revenues, EBITDA and EBIT; EBITDA margin and EBIT margin; Net financial debt carrying amount and adjusted net financial debt; Equity free cash flow, Capital expenditures (net of TLC licenses), Cash flow from operations; Cash flow from operations (net of licenses). Following the adoption of IFRS 16, the TIM Group also presents the following additional alternative performance measures: EBITDA After Lease ("EBITDA-AL"), Adjusted net financial debt After Lease, Equity Free Cash Flow After Lease.

In line with the ESMA guidance on alternative performance measures (Guidelines ESMA/2015/1415), the meaning and contents of such are explained in the section on "Alternative performance measures" and the analytical detail of the amounts of the reclassifications introduced and of the methods for determining indicators is provided.

Finally, it should be noted that the section "Business Outlook for the year 2025" contains *forward-looking statements* regarding the Group's intentions, beliefs and current expectations in relation to the Group's financial results and other aspects of the Group's activities and strategies. Readers of this Interim Report on Operations are reminded not to place undue reliance on forward-looking statements; in fact, actual results may differ significantly from forecasts owing to risks and uncertainties depending on numerous factors, the majority of which are beyond the scope of the Group's control. Please refer to the "Main risks and uncertainties" section for more information. It provides a detailed description of the major risks pertaining to the TIM Group business activity which can, even considerably, affect its ability to meet the set goals.

HIGHLIGHTS FROM THE FIRST HALF OF 2025

- Group **total revenues** amounted to 6.6 billion euros, up by 2.7% year-on-year (+1.6% in domestic to 4.5 billion euros, +4.8% in Brazil to 2.1 billion euros); Group service revenues rose by 3.3% year-on-year to 6.2 billion euros (+2.2% in domestic to 4.2 billion euros, +5.4% in Brazil to 2.0 billion euros);
- Group **EBITDA** increased, up by 5.5% year-on-year to 2,1 billion euros (+4.6% in domestic to 1.0 billion euros, +6.5% in Brazil to 1.0 billion euros);
- Group **EBITDA After Lease** grew significantly, rising 5.0% year-on-year to 1.7 billion euros (+4.2% in domestic to 1.0 billion euros, +6.1% in Brazil to 0.8 billion euros);
- **TIM Consumer** recorded total revenues slightly up (+0.1% year on year) to 3.0 billion euros. The main KPIs have improved: churn is down year on year and ARPU is increasing in both fixed and mobile, also thanks to repricing activities carried out, since the beginning of 2025, on 4 million fixed lines and about 1.7 million mobile lines. The effects on churn are better than expectations, with a net balance of lines related to mobile number portability ("MNP") remaining substantially neutral. The implementation of the Customer Platform strategy continues to be successful, with double-digit growth in the TimVision customer base and an acceleration in new contracts in the energy sector for SMBs.
- **TIM Enterprise** reported total revenues of 1.6 billion euros (+4.7% year-on-year), continuing to outperform the reference market. Cloud remains the main line of business, with a 25% year-on-year growth, also thanks to the services offered to the National Strategic Hub, whose contribution in terms of revenues has doubled. Service revenues related to ICT rises to 65% (+3% year on year), while connectivity is slightly declining. Share of revenues generated by Group factories increased (+2 percentage points) in the first half of the year, with a trend expected to accelerate further.
- **TIM Brasil** reported total revenues of 2.1 billion euros (+4.8% year-on-year) and an EBITDA After Lease of 0.8 billion euros (+6.1% year-on-year), continuing the growth trajectory of the last two years thanks to the momentum generated by the mobile segment and cost efficiency.

During the semester, successful transformation actions aimed at increasing the level of structural efficiency of the domestic perimeter continued, with a benefit of about 90 million euros to the EBITDA AL-CAPEX for the period, equal to 44% of the target for the entire year.

Group investments amount to 0.8 billion euros, equal to 12.6% of revenues.

Group Adjusted Net Financial Debt After Lease as of June 30, 2025 remains stable at 7.5 billion euros[1] and Equity Free Cash Flow After Lease for the second quarter[2] is positive at 0.1 billion euros. For the second half of the year, TIM expects positive cash generation, in line with the guidance provided to the market

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With a ratio of Adjusted Net Financial Debt After Lease to Organic EBITDA After Lease below 2.1x, TIM confirms its position as the listed telecommunications operator with the most solid financial structure in Europe.
The liquidity margin covers financial maturities until 2028.

[1] Including the net debt of TI Sparkle.
[2] Including the contribution related to TI Sparkle.

The main financial results of the TIM Group, in which the Telecom Italia Sparkle Group is classified as Discontinued Operations, were as follows: **"TIM Group (Sparkle Discontinued Operations)".**

TIM Group (Sparkle Discontinued Operations) financial highlights

(million euros) - reported data		1st Half 2025 (a)	1st Half 2024 (b)	% Change (a-b)
Revenues		6,597	6,660	(0.9)
EBITDA	(1)	1,999	2,600	(23.1)
EBITDA Margin	(1)	*30.3%*	*39.0%*	*(8.7)pp*
EBIT	(1)	529	1,015	(47.9)
EBIT Margin	(1)	*8.0%*	*15.2%*	*(7.2)pp*
Profit (loss) for the period attributable to owners of the Parent		(132)	(646)	79.6

		1st Half 2025 (a)	1st Half 2024 (b)	Change (absolute) (a-b)
Investimenti industriali & spectrum		834	938	(104)
Equity Free Cash Flow	(1)	77	(681)	758
Equity Free Cash Flow After Lease	(1)	(121)	(1,028)	907
		6/30/2025 (a)	**12/31/2024 (b)**	**Change (absolute) (a-b)**
Adjusted Net Financial Debt [(2)]	(1)	10,417	10,126	291
Adjusted Net Financial Debt - After Lease[(2)]	(1)	7,498	7,266	232

(1) For details, please refer to the "Alternative performance measures" chapter.

(2) The change in the fair value of derivatives and related financial liabilities/assets is adjusted by the booked Net Financial Debt with no monetary effect.

The following are the main financial results of the **like-for-like** TIM Group in which the organic economic and financial information relating to the operating performance for the first half of 2024 have been reworked, for comparison purposes only, based on management information. Such organic **like-for-like** information is prepared by simulating the separation operation of the fixed network, with the creation of the NetCo component and the consequent definition of the (new) TIM Group perimeter, as if it had occurred at the start of the reference period (January 1). In addition, the Sparkle Group is classified as Discontinued Operations, pursuant to IFRS 5.

Like-for-like TIM Group results

(million euros) - organic data (*)	1st Half 2025	1st Half 2024	% Change
Revenues	**6,597**	**6,426**	**2.7**
TIM Domestic	4,547	4,474	1.6
of which TIM Consumer	*2,974*	*2,971*	*0.1*
of which TIM Enterprise	*1,573*	*1,503*	*4.7*
TIM Brasil	2,064	1,970	4.8
Service revenues	**6,201**	**6,003**	**3.3**
TIM Domestic	4,204	4,112	2.2
of which TIM Consumer	*2,739*	*2,731*	*0.3*
of which TIM Enterprise	*1,465*	*1,380*	*6.2*
TIM Brasil	2,011	1,909	5.4
EBITDA	**2,064**	**1,957**	**5.5**
TIM Domestic	1,049	1,003	4.6
TIM Brasil	1,018	956	6.5
EBITDA AL	**1,735**	**1,652**	**5.0**
TIM Domestic	957	918	4.2
TIM Brasil	781	736	6.1
CAPEX (net of telecommunications licenses)	**834**	**847**	**(1.5)**
TIM Domestic	481	485	(0.8)
TIM Brasil	353	362	(2.6)
EBITDA AL-CAPEX (net of telecommunications licenses)	**901**	**805**	**11.9**
TIM Domestic	476	433	9.9
TIM Brasil	428	374	14.5

(*) The organic results exclude non-recurring items and the comparable base is calculated net of the foreign currency translation and the change in the scope of consolidation.

MAIN CHANGES IN THE SCOPE OF CONSOLIDATION OF THE TIM GROUP

There were no significant changes in the scope of consolidation during the first half of 2025.

During the first half of 2024, the TIM Group, through its subsidiary Telsy S.p.A. (Domestic Business Unit), acquired control of QTI S.r.l., bringing its percentage ownership in the company's share capital from 49% to 80%. QTI S.r.l. is engaged in the development, production and marketing of innovative hi-tech products and services.

CONSOLIDATED OPERATING PERFORMANCE

Revenues

TIM Group's total revenues (Sparkle Discontinued Operations) in the first half of 2025 amounted to **6,597 million euros**, -0.9% compared to the first half of 2024 (6,660 million euros).

The breakdown of total revenues for the first half of 2025, by operating segment in comparison with the first half of 2024 is as follows:

(million euros)	1st Half 2025		1st Half 2024		Changes		
		% weight		% weight	absolute	%	% like-for-like
Domestic	4,547	68.9	4,418	66.3	129	2.9	1.6
Brazil	2,064	31.3	2,257	33.9	(193)	(8.6)	4.8
Other Operations	—	—	—	—	—		
Adjustments and eliminations	*(14)*	*(0.2)*	*(15)*	*(0.2)*	*1*		
Consolidated Total	**6,597**	**100.0**	**6,660**	**100.0**	**(63)**	**(0.9)**	**2.7**

Consolidated like-for-like revenues are calculated as follows:

(million euros)	1st Half 2025	1st Half 2024	% Change
REVENUES	**6,597**	**6,660**	**(0.9)**
Foreign currency financial statements translation effect		(287)	
Non-recurring expenses (income)	—	—	
ORGANIC REVENUES excluding non-recurring items	**6,597**	**6,373**	**3.5**
Impacts deriving from:			
Master Service Agreement (MSA)		*67*	
Other		*(14)*	
Like-for-like ORGANIC REVENUES	**6,597**	**6,426**	**2.7**

EBITDA

TIM Group's EBITDA (Sparkle Discontinued Operations) in the first half of 2025 was **1,999 million euros**(2,600 million euros in the first half of 2024, -23.1%).

EBITDA by operating segment for the first half of 2025, compared to the first half of 2024, was as follows:

(million euros)	1st Half 2025		1st Half 2024		Changes		
		% weight		% weight	absolute	%	% like-for-like
Domestic	987	49.4	1,507	58.0	(520)	(34.5)	4.6
Brazil	1,015	50.8	1,095	42.1	(80)	(7.3)	6.5
Other Operations	(4)	(0.2)	(4)	(0.2)	—		
Adjustments and eliminations	*1*	*—*	*2*	*0.1*	*(1)*		
Consolidated Total	**1,999**	**100.0**	**2,600**	**100.0**	**(601)**	**(23.1)**	**5.5**

Consolidated like-for-like EBITDA is calculated as follows:

(million euros)	1st Half 2025	1st Half 2024	% Change
EBITDA	**1,999**	**2,600**	**(23.1)**
Foreign currency financial statements translation effect		(139)	
Non-recurring expenses (income)	65	81	
ORGANIC EBITDA excluding non-recurring items	**2,064**	**2,542**	**(18.8)**
Impacts deriving from:			
New Master Service Agreement (MSA)		*(902)*	
Reversal of previous MSA between TIM and FiberCop		*341*	
Other		*(24)*	
Like-for-like ORGANIC EBITDA	**2,064**	**1,957**	**5.5**

TIM Group's (Sparkle Discontinued Operations) EBITDA was particularly impacted by the change in the line items analyzed below:

- **Acquisition of goods and services (3,844 million euros; 3,261 million euros in the first half of 2024):**

(million euros)	1st Half 2025	1st Half 2024	Change
Acquisition of goods	392	456	(64)
Revenues due to other TLC operators and costs for telecommunications network access services	363	323	40
Commercial and advertising costs	828	809	19
Professional and consulting services	97	96	1
Power, maintenance and outsourced services	543	376	167
Lease and rental costs	588	524	64
Other	1,033	677	356
Total acquisition of goods and services	**3,844**	**3,261**	**583**
% of Revenues	*58.3*	*49.0*	*9.3pp*

The increase in **Acquisition of goods and services** is mainly due to higher network access charges (included in Other) and higher energy and maintenance costs.

- **Employee benefits expenses (736 million euros; 737 million euros in the first half of 2024):**

(million euros)	1st Half 2025	1st Half 2024	Change
Employee benefits expenses - Italy	**581**	**562**	**19**
Ordinary employee expenses and costs	537	500	37
Restructuring and other expenses	44	62	(18)
Employee benefits expenses – Outside Italy	**155**	**175**	**(20)**
Ordinary employee expenses and costs	155	175	(20)
Restructuring and other expenses	—	—	—
Total employee benefits expenses	**736**	**737**	**(1)**
% of Revenues	*11.2*	*11.1*	*0.1pp*

The reduction of 1 million euros in personnel costs is mainly attributable to:

- the increase of 37 million euros in the Italian component of ordinary employee expenses, due among other things to the lower impact in the first half of 2025 of the reduction in hours under the "Solidarity contract" ratified on April 12, 2024 as compared to the same period in 2024 in which both the Expansion Agreement of August 5, 2022 and the also the Solidarity Agreement of April 12, 2024 were in force;
- the decrease of 18 million euros in the item "Restructuring costs and other expenses" of the Italian component. In the first half of 2025, 44 million euros in charges were provisioned, mainly relating to wage subsidies under the solidarity contracts and individual redundancy plans, as provided for by the union agreement signed by the Parent Company with the labor unions on March 29, 2024 and ratified with the Ministry of Labor on April 12, 2024. Likewise, expenses of 62 million euros were incurred in the first half of 2024;
- a decrease of 20 million euros in the foreign component mainly related to the impact of the exchange rate change on the Brazil Business Unit.

It should be noted that on July 8, 2025, an agreement was signed to bring the Solidarity Agreement into effect at TIM S.p.A. Between July 10 and July 14, similar agreements were also signed by Telecontact, Noovle, Olivetti and Sparkle. The agreement is in effect from July 16, 2025 to December 31, 2026. The reduction in hours over the entire period (18 months) stands at 15.64%. The agreement will affect up to approximately 15,000 employees in total.

- **Other income (135 million euros; 49 million euros in the first half of 2024):**

(million euros)	1st Half 2025	1st Half 2024	Change
Late payment fees charged for telephone services	18	19	(1)
Recovery of employee benefit expenses, purchases and services rendered	2	2	—
Capital and operating grants	17	7	10
Damages, penalties and recoveries connected with litigation	26	2	24
Estimate revisions and other adjustments	21	15	6
Income for special training activities	1	1	—
Services related to the MSA in place with FiberCop S.p.A.	42	—	42
Other	8	3	5
Total	**135**	**49**	**86**

The increase in **Other income** is mainly due to the income (42 million euros) from the *Master Service Agreement* with FiberCop S.p.A., effective from the second half of 2024, and the increase of 24 million euros in "Damages, penalties and recoveries connected with litigation", mainly relating to the release of commercial risk provisions and penalties.

- **Other operating expenses (293 million euros; 309 million euros in the first half of 2024):**

(million euros)	1st Half 2025	1st Half 2024	Change
Write-downs and expenses in connection with credit management	105	106	(1)
Provision charges	21	26	(5)
TLC operating fees and charges	94	113	(19)
Indirect duties and taxes	44	41	3
Penalties, settlement compensation and administrative fines	5	4	1
Subscription dues and fees, donations, scholarships and traineeships	5	4	1
Sundry expenses	19	15	4
Total	**293**	**309**	**(16)**

Depreciation and amortization

In the first half of 2025, this item amounted to 1,473 million euros (1,571 million euros in the first half of 2024) and breaks down as follows:

(million euros)	1st Half 2025	1st Half 2024	Change
Amortization of intangible assets with a finite useful life	664	721	(57)
Depreciation of tangible assets	541	588	(47)
Amortization of rights of use assets	268	262	6
Total	**1,473**	**1,571**	**(98)**

Net impairment losses on non-current assets

In the first half of 2025, **Net impairment losses on non-current assets** were nil (-14 million euros in the first half of 2025).

In accordance with IAS 36, goodwill is not subject to amortization, but is tested for impairment on an annual basis, when preparing the company's separate and consolidated financial statements. Moreover, if specific events or circumstances (*"trigger events"*) occur that could lead to a presumption that Goodwill has suffered impairment, impairment testing is also carried out during the preparation of the interim financial statements.

In the first half of 2025, no external or internal events were identified that would require a new impairment test, and the Goodwill values assigned to each of the Cash Generating Units in the 2024 Consolidated Financial Statements were therefore confirmed.

Further details are provided in the Note "Goodwill" to the Half-Year Condensed Consolidated Financial Statements at June 30, 2025 of the TIM Group.

EBIT

TIM Group's EBITDA (Sparkle Discontinued Operations) in the first half of 2025 was **529 million euros** (1,015 million euros in the first half of 2024).

Finance income (expenses), net

Finance income (expenses) showed a net expense of 483 million euros (expense of 797 million euros in the first half of 2024). The reduction was substantially related to the reduction in financial debt following the sale of NetCo.

Income tax expense

In the first half of 2025, the income taxes item amounted to 32 million euros (35 million euros in the first half of 2024) and mainly refers to Brazil Business Unit companies.

Profit (loss) for the period

This item breaks down as follows:

(million euros)	1st Half 2025	1st Half 2024
Profit (loss) for the period	**(38)**	**(503)**
Attributable to:		
Owners of the Parent:		
Profit (loss) from continuing operations	(90)	92
Profit (loss) from Discontinued operations / Non-current assets held for sale	(42)	(738)
Profit (loss) for the period attributable to owners of the Parent	**(132)**	**(646)**
Non-controlling interests:		
Profit (loss) from continuing operations	94	80
Profit (loss) from Discontinued operations / Non-current assets held for sale	—	63
Profit (loss) for the period attributable to Non-controlling interests	**94**	**143**

The result related to **'Discontinued operations/Non-current assets held for sale'** for the first half of 2025 mainly relates to the economic results of the Telecom Italia Sparkle Group, which is classified as an available-for-sale asset in accordance with IFRS 5. The result for the first half of 2024 also includes the results of the fixed network business of TIM, FiberCop S.p.A. and Telenergia S.r.l. ("NetCo") (-640 million euros).

The **Net loss for the first half of 2025** was 38 million euros (loss of 132 million euros **attributable to owners of the Parent**).

FINANCIAL AND OPERATING HIGHLIGHTS OF THE BUSINESS UNITS OF THE TIM GROUP

Domestic

(million euros)	1st Half 2025 (a)	1st Half 2024 (b)	Changes (a-b) absolute	%	% like-for-like
Revenues	**4,547**	**4,418**	**129**	**2.9**	**1.6**
EBITDA	**987**	**1,507**	**(520)**	**(34.5)**	**4.6**
% of Revenues	*21.7*	*34.1*		*(12.4)pp*	
EBIT	**72**	**557**	**(485)**	**(87.1)**	
% of Revenues	*1.6*	*12.6*		*(11.0)pp*	
Headcount at period end (number) (°)	**17,073**	**(*)17,751**	**(678)**	**(3.8)**	

(°) Includes agency contract workers: 131 as of June 30, 2025 (63 as of December 31, 2024).
(*) The headcount is current at December 31, 2024.

Revenues

Domestic Business Unit (Sparkle Discontinued Operations) revenues amounted to 4,547 million euros, up 129 million euros compared to the first half of 2024 (+2.9%).

Domestic like-for-like revenues are calculated as follows:

(million euros)	1st Half 2025	1st Half 2024	Change %
REVENUES	**4,547**	**4,418**	**2.9**
Foreign currency financial statements translation effect	—	—	
Non-recurring income/(expenses)	—	—	
ORGANIC REVENUES - excluding non-recurring items	**4,547**	**4,418**	**2.9**
Impacts deriving from:			
Master Service Agreement (MSA)		*67*	
Other		*(11)*	
Like-for-like ORGANIC REVENUES	**4,547**	**4,474**	**1.6**

"Like-for-like" service revenues amounted to 4,204 million euros (+92 million euros compared to the first half of 2024, +2.2%), thanks to growth in ICT revenues despite the impact of the competitive environment on the customer base.

"Like-for-like" Handset and Bundle & Handset revenues, including the change in work in progress, amounted to 343 million euros in the first half of 2025, down 19 million euros compared with the first half of 2024, reflecting the contraction in the TIM Enterprise segment.

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TIM Consumer. The reference perimeter is made up of the set of telephone and Internet services and products managed and developed in Landline and Mobile for individuals and families (from public telephony, from caring activities and administrative management of customers) and for customers of SMEs (Small and Medium Enterprises), SOHO (Small Office Home Office) and other mobile operators (MVNOs); it includes the company TIM Retail, which coordinates the activities of its stores).

The main *Key Performance Indicators* of TIM Consumer were as follows:

	6/30/2025	12/31/2024	6/30/2024
Total Fixed accesses (thousands)	7,049	7,169	7,323
Of which active ultra-broadband accesses (thousands)	5,528	5,478	5,448
Fixed Consumer ARPU (€/month) (1)	31.5	30.5	29.8
Mobile lines at period end (thousands)	15,781	15,984	16,170
of which Human calling (thousands)	13,209	13,280	13,451
Mobile churn rate (%) (2)	9.1	19.4	9.7
Mobile Consumer Human calling ARPU (€/month) (3)	10.6	10.6	10.6

(1) Organic Consumer service revenues in proportion to the average number of Consumer accesses. The figures for 2024 have been proformated to the same perimeter as for 2025.
(2) Percentage of human lines discontinued in the period compared to the average human lines.
(3) Organic consumer service revenues (excluding visitors and MVNOs) in proportion to average human calling lines.

(million euros) - organic data	1st Half 2025	1st Half 2024	Change %
	(a)	(b)	(a-b)/b
TIM Consumer revenues - like-for-like	**2,974**	**2,971**	**0.1**
Service revenues	2,739	2,731	0.3
Handset and Bundle & Handset revenues	235	240	(2.1)

TIM Consumer's revenues the first quarter of 2025 amounted to 2,974 million euros and were a slight improvement of 3 million euros compared to the first quarter of the previous year, despite the impact of the challenging competitive environment.

Service revenues, which totaled 2,739 million euros, improved by 8 million euros compared to the first half of 2024.

TIM Consumer's **Handset and Bundle & Handset revenues** totaled 235 million euros, -5 million euros compared to the first half of 2024.

TIM Enterprise. This segment comprises the connectivity services and products and the ICT solutions managed and developed for Top, Public Sector and Large Account customers. The following companies are included: Olivetti, TI Trust Technologies, Telsy and Noovle.

(million euros) - organic data	1st Half 2025	1st Half 2024	Change %
	(a)	(b)	(a-b)/b
TIM Enterprise revenues - like-for-like	**1,573**	**1,503**	**4.7**
Service revenues	1,465	1,380	6.2
Handset and Bundle & Handset revenues	108	123	(12.2)

TIM Enterprise revenues amounted to 1,573 million euros, up 37 million euros (+4.8%) compared to the first half of 2024, mainly thanks to the services revenue component (+41 million, +5.7%), driven by IT cloud services.

EBITDA

Domestic Business Unit (Sparkle Discontinued Operations) EBITDA for the first half of 2025 amounted to 987 million euros (-520 million euros compared to the first half of 2024, -34.5%).

Domestic like-for-like EBITDA is calculated as follows:

(million euros)	1st Half 2025	1st Half 2024	Change
			%
EBITDA	**987**	**1,507**	**(34.5)**
Foreign currency financial statements translation effect	—	—	
Non-recurring expenses (income)	62	81	
ORGANIC EBITDA excluding non-recurring items	**1,049**	**1,588**	**(33.9)**
Impacts deriving from:			
New Master Service Agreement (MSA)		*(902)*	
Reversal of previous MSA between TIM and FiberCop		*341*	
Other		*(24)*	
Like-for-like ORGANIC EBITDA	**1,049**	**1,003**	**4.6**

In relation to the results of the **Domestic Business Unit (Sparkle Discontinued Operations)** and the dynamics of the main items, these results were influenced by the same dynamics as the consolidated Group results (as disclosed above); in detail:

(million euros)	1st Half 2025	1st Half 2024	Change
Acquisition of goods and services	3,065	2,414	651
Employee benefits expenses	582	563	19
Other operating expenses	119	101	18

In particular:

- **Other income** amounted to 123 million euros with an increase of 84 million euros compared to the first half of 2024:

(million euros)	1st Half 2025	1st Half 2024	Change
Late payment fees charged for telephone services	9	10	(1)
Recovery of employee benefit expenses, purchases and services rendered	2	2	—
Capital and operating grants	17	7	10
Damages, penalties and recoveries connected with litigation	24	1	23
Estimate revisions and other adjustments	21	15	6
Income for special training activities	1	1	—
Services related to the MSA in place with FiberCop S.p.A.	42	—	42
Other	7	3	4
Total	**123**	**39**	**84**

The increase in **Other income** is mainly due to the income (42 million euros) from the MSA with FiberCop S.p.A., effective from the second half of 2024, and the increase of 23 million euros in *Damages, penalties and recoveries connected with litigation*, mainly relating to the release of commercial risk provisions and penalties.

- **Acquisition of goods and services** amounted to 3,065 million euros with an increase of 651 million euros compared to the first half of 2024:

(million euros)	1st Half 2025	1st Half 2024	Change
Acquisition of goods	305	345	(40)
Revenues due to other TLC operators and costs for telecommunications network access services	245	217	28
Commercial and advertising costs	592	554	38
Professional and consulting services	43	40	3
Power, maintenance and outsourced services	434	250	184
Lease and rental costs	442	370	72
Other	1,004	638	366
Total acquisition of goods and services	**3,065**	**2,414**	**651**
% of Revenues	*67.4*	*54.6*	*12.8*

The increase in **Acquisition of goods and services** is mainly due to higher network access charges (included in Other) and higher energy and maintenance costs.

- **Employee benefits expenses** amounted to 582 million euros with an increase of 19 million euros compared to the first half of 2024. The same dynamics already described in the information given on the consolidated operating performance impacted this performance too.
- **Other operating expenses** amounted to 119 million euros with an increase of 18 million euros compared to the first half of 2024:

(million euros)	1st Half 2025	1st Half 2024	Change
Write-downs and expenses in connection with credit management	46	44	2
Provision charges	22	17	5
TLC operating fees and charges	9	11	(2)
Indirect duties and taxes	19	15	4
Penalties, settlement compensation and administrative fines	5	4	1
Subscription dues and fees, donations, scholarships and traineeships	4	3	1
Sundry expenses	14	7	7
Total	**119**	**101**	**18**

EBIT

Domestic Business Unit (Sparkle Discontinued Operations) EBIT for the first half of 2025 was positive at 72 million euros (-485 million euros compared to the first half of 2024).

Brazil

	(million euros)		(million Brazilian reais)				
	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	Changes		
					absolute	%	% organic excluding non-recurring
	(a)	(b)	(c)	(d)	(c-d)	(c-d)/d	
Revenues	**2,064**	**2,257**	**12,994**	**12,398**	**596**	**4.8**	**4.8**
EBITDA	**1,015**	**1,095**	**6,388**	**6,016**	**372**	**6.2**	**6.5**
% of Revenues	*49.2*	*48.5*	*49.2*	*48.5*		*0.7pp*	*0.8 pp*
EBIT	**459**	**461**	**2,892**	**2,532**	**360**	**14.2**	**15.0**
% of Revenues	*22.3*	*20.4*	*22.3*	*20.4*		*1.9pp*	*2.0 pp*
Headcount at period end (number)			**8,904**	**(*)9,123**	**(219)**	**(2.4)**	

(*) The headcount is current at December 31, 2024.

The average exchange rates used for conversion to the euro (expressed in terms of units of real per 1 euro) are 6.29416 in the first half of 2025 and 5.49271 in the first half of 2024.

	1st Half 2025	1st Half 2024
Mobile lines at period end (thousands) (*)	62,194	(°)62,058
Mobile ARPU (reais)	32.3	30.8
Broadband ARPU (reais)	94.4	97.2

(*) Includes corporate lines.
(°) Number at December 31, 2024.

The Brazil Business Unit (TIM Brasil group) provides mobile phone services, fiber optic data transmission using full IP technology and residential broadband services. In addition, the TIM Brasil group provides IoT services focused on the Agri-food, Industry, Logistics and Utilities sectors.

Revenues

Revenues for the first half of 2025 of the **Brazil Business Unit (TIM Brasil group)** amounted to 12,994 million reais (12,398 million reais in the first half of 2024, ++4.8%).

The growth was determined by **service revenues** (12,657 million reais vs 12,013 million reais for the first half of 2024, +5.4%) with mobile telephony service revenues growing 5.9% in the first half of 2025 due to the continuous improvement of the *post-paid* segment. Revenues from fixed telephony services decreased by 3.4% compared to the first half of 2024, mainly due to the trend in the Ultrafibre offering.

Revenues from product sales totaled 337 million reais (385 million reais in the first half of 2024).

Mobile ARPU in the first half of 2025 totaled 32.3 reais (30.8 reais in the first half of 2024, +4.9%).

Total mobile lines at June 30, 2025 amounted to 62.2 million, up slightly compared to December 31, 2024 (62.1 million lines). The positive performance of the *post-paid* segment was offset by the reduction of lines in the *pre-paid* segment. *Post-paid* customers represented 50.7% of the customer base as of June 30, 2025 (48.7% at December 31, 2024).

Broadband ARPU for the first half of 2025 was 94.4 reais (97.2 reais in the first half of 2024).

EBITDA

EBITDA in the first half of 2025 was 6,388 million reais (6,016 million reais in the first half of 2024, ++6.2%) and the margin on revenues was 49.2% (48.5% in the first half of 2024).

Organic EBITDA, net of the non-recurring items, increased by 6.5% and was calculated as follows:

(million Brazilian reais)	1st Half 2025	1st Half 2024	Changes	
			absolute	%
EBITDA	**6,388**	**6,016**	**372**	**6.2**
Oneri/(Proventi) non ricorrenti	20	—	20	
ORGANIC EBITDA excluding non-recurring items	**6,408**	**6,016**	**392**	**6.5**

The growth in EBITDA can mainly be attributed to the positive performance of revenues from services, partially offset by the increase in operating costs.

The EBITDA margin stood at 49.3% in organic terms (48.5% for the first half of 2024).

The changes in the main cost items are shown below:

	(million euros)		(million Brazilian reais)		
	1st Half 2025	**1st Half 2024**	**1st Half 2025**	**1st Half 2024**	**Change**
	(a)	**(b)**	**(c)**	**(d)**	**(c-d)**
Acquisition of goods and services	793	860	4,988	4,723	265
Employee benefits expenses	153	173	963	951	12
Other operating expenses	171	205	1,084	1,130	(46)

EBIT

EBIT for the first half of 2025 amounted to 2,892 million reais (2,532 million reais for the first half of 2024, ++14.2%).

Organic EBIT, net of the non-recurring items, in the first half of 2025 amounted to 2,912 million reais (2,532 million reais in the first half of 2024), with a margin on revenues of 22.4% (20.4% in the first half of 2024), calculated as follows:

(million Brazilian reais)	**1st Half 2025**	**1st Half 2024**	**Changes**	
			absolute	**%**
EBIT	**2,892**	**2,532**	**360**	**14.2**
Oneri/(Proventi) non ricorrenti	20	—	20	
ORGANIC EBIT - excluding non-recurring items	**2,912**	**2,532**	**380**	**15.0**

TIM GROUP'S ESG PERFORMANCE

*In the first half of 2025, TIM promoted initiatives impacting the **environment**, **society** and **governance**. The TIM Group rolls out two types of social actions: **people-focused** actions, and actions to **strengthen Italy's digital culture and security**.*

ESG performance rankings

- TIM features in the top 10% of S&P Global's Sustainability Yearbook 2025, the only telecommunications company in Italy to receive this accolade. This result follows TIM's participation in S&P Global's Corporate Sustainability Assessment (CSA) 2024, which assessed the ESG performance of over 9,400 companies in more than 60 industries. The CSA is not only a measurement tool, but also a useful benchmark for comparison with international best practice in ESG. The results of the CSA feed into the financial and sustainability indices used by institutional investors such as the Dow Jones Sustainability Index and the S&P Scored & Screened Indices, helping to define responsible investment strategies going forward.

Digital technologies underpinning environmental and social sustainability

- TIM has launched the "TIM Smart Infrastructure Challenge", an Open Innovation initiative supported by Alaian - the global open innovation alliance of Telco operators of which TIM is a member. The aim is to accelerate the digitalization of Italy's critical infrastructures. The Challenge is open to startups, scaleups, and innovative SMEs, both Italian and international, that use Artificial Intelligence, the Internet of Things, and advanced sensor technologies. The initiative focuses on two areas in particular: Infrastructure Monitoring, for predictive and real-time analysis of infrastructure health, including through digital simulations; and Building & Energy Management, for intelligent applications to manage and optimize energy consumption.
- TIM has also launched '"Via-Nova", an advanced 5G and edge-computing based platform to improve traffic management and reduce response times. The platform makes a tangible contribution to preventing accidents and enhancing the efficiency of mobility services, including emergency services. It is a major technological step towards safer, smarter and more sustainable mobility, demonstrating how digital innovation can support environmental and social goals. Via-Nova was featured at CCAM4Italy, a forum showcasing the solutions developed under the National Recovery and Resilience Plan (NRRP) and supported by the Ministry of Universities and Research. The technology highlights the key role that collaboration between institutions, businesses and research has to play in the future of transport.
- TIM has supported the Enna Municipal Library in its project to digitalize its cultural heritage by providing advanced cloud computing solutions. This technology enabled more than 1360 historical books from the library's antique and Cathedral collections to be digitalized and archived, making them accessible to a global audience. In addition to nurturing historical memory, this initiative is environmentally sustainability as it reduces the need for physical travel and paper-based consultation, making cultural heritage accessible to all.

People-focused social initiatives

- The TIM Foundation has remained committed to scientific research, social inclusion and health, allocating 1.5 million euros to supporting innovative projects in these areas. For 2025, three new calls for proposals were launched – one in each area – targeted at the technical and scientific faculties of Italian universities, non-profit organisations supporting victims of violence against women, and university health clinics and research centres, respectively.
- TIMVISION has exclusively launched "Favole ROM", a series of cartoons narrating the tales and traditions of the Romani culture, only ever passed down orally until now. The animated series, which is aimed at both children and adults, is an important opportunity to promote social inclusion in the community. The project broadens knowledge and fosters respect for the traditions of a stateless people whose history is fraught with hardship and who today identify with a cultural and linguistic heritage that is present across all European countries.

IT security and business continuity

- TIM remains firmly committed to business continuity management, having renewed its ISO 22301 certification, an international standard that certifies the holder as able to guarantee business continuity even in the event of critical events or emergencies. The certification forms part of the broader management system adopted by TIM (Business Continuity Management System - BCMS), which ensures organisational resilience and continuity in service delivery even in emergency situations.
- In support of Italy's digital security culture, TIM and the Cyber Security Foundation have produced the Cyber Security Report 2025, the first report analysing cyber threats and the major risks in Italy in 2024, which have reached unprecedented levels of sophistication. The report highlights how emerging technologies such as AI and quantum computing can boost defence, but at the same time they be exploited by attackers to launch sophisticated attacks such as advanced phishing, deep-fakes and targeted attacks.

CONSOLIDATED FINANCIAL POSITION AND CASH FLOWS PERFORMANCE

Non-current assets

- **Goodwill**: this item increased by 4 million euros, from 11,030 million euros as of December 31, 2024 to 11,034 million euros as of June 30, 2025, mainly due to positive exchange rate differences relating to the goodwill attributed to the Brazil Cash Generating Unit.
- **Intangible assets with a finite useful life**: these fell by 332 million euros, from 6,011 million euros at the end of 2024 to 5,679 million euros at June 30, 2025, representing the balance of:
  - CapEx (+382 million euros);
  - depreciation charge for the year (-664 million euros);
  - reclassification to "Discontinued operations/Non-current assets held for sale" of the intangible assets with a finite useful life relating to the Telecom Italia Sparkle Group (-56 million euros);
  - a net positive balance of 6 million euros relating to disposals, exchange differences (positive at 10 million euros, relating to the Brazil Business Unit) and other changes.
- **Tangible assets**: these fell by 433 million euros, from 4,560 million euros at the end of 2024 to 4,127 million euros at June 30, 2025, representing the balance of:
  - CapEx (+431 million euros);
  - depreciation charge for the year (-541 million euros);
  - reclassification to "Discontinued operations/Non-current assets held for sale" of the tangible assets relating to the Telecom Italia Sparkle Group (-334 million euros);
  - a net positive balance of 11 million euros relating to disposals, exchange differences (positive at 12 million euros, relating to the Brazil Business Unit) and other changes.
- **Rights of use assets** (mainly comprise rights of use on real estate leases, network connectivity and telecommunications infrastructure): these fell by 172 million euros, from 3,467 million euros at the end of 2024 to 3,295 million euros at June 30, 2025, representing the balance of:
  - investments (+21 million euros) and increases in lease contracts (+316 million euros); In particular, 277 million euros of those increases relate to the Brazil Business Unit and 39 million euros to the Domestic Business Unit;
  - depreciation charge for the year (-268 million euros);
  - reclassification to "Discontinued operations/Non-current assets held for sale" of the right of use relating to the Telecom Italia Sparkle Group (-206 million euros);
  - a net negative balance of 35 million euros relating to disposals, exchange differences (positive at 8 million euros, essentially relating to the Brazil Business Unit) and other changes.

Consolidated equity

As of June 30, 2025, consolidated equity amounted to 13,199 million euros (13,361 million euros as of December 31, 2024), of which 11,859 million euros were attributable to the Shareholders of the Parent Company (11,957 million euros as of December 31, 2024) and 1,340 million euros were attributable to minority interests (1,404 million euros as of December 31, 2024). In greater detail, the changes in consolidated equity were the following:

(million euros)	6/30/2025	12/31/2024
Start of period	**13,361**	**17,513**
Total comprehensive income (loss) for the period	9	(1,091)
Dividends approved by:	(164)	(158)
TIM S.p.A.	—	—
Other Group companies	*(164)*	*(158)*
NetCo deconsolidation	—	*(2,283)*
Equity instruments	—	—
Other movements	*(7)*	*(620)*
End of period	**13,199**	**13,361**

Cash flows

Adjusted net financial debt at June 30, 2025 was equal to 10,417 million euros (10,126 million euros as of December 31, 2024).

The Group's **Operating Free Cash Flow (OFCF, calculated by applying IFRS 16)** for the first half of 2025 was positive and amounted to 482 million euros (positive for 1,347 million euros for the first half of 2024).

The main transactions that had an impact on the change in adjusted net financial debt are as follows:

Change in adjusted net financial debt

(million euros)	**1st Half 2025** (a)	**1st Half 2024** (b)	**Change** (a-b)
EBITDA	1,999	2,600	(601)
Capital expenditures on an accrual basis	(834)	(938)	104
Change in net operating working capital:	(695)	(224)	(471)
Change in inventories	*(5)*	*(25)*	*20*
Change in trade receivables and other net receivables	*(89)*	*71*	*(160)*
Change in trade payables	*(686)*	*(630)*	*(56)*
Change in payables for mobile telephone licenses/spectrum	—	*(24)*	*24*
Other changes in operating receivables/payables	*85*	*384*	*(299)*
Change in employee benefits	3	18	(15)
Change in operating provisions and Other changes	9	(109)	118
Net Operating Free Cash Flow	**482**	**1,347**	**(865)**
% of Revenues	*7.3*	*20.2*	*(12.9)pp*
Cash flows from sales of investments and other disposals	1	(23)	24
Share capital increases/reimbursements, including incidental expenses	—	—	—
Financial investments	(26)	(34)	8
Dividends payment	(85)	(86)	1
Increases in lease contracts	(316)	(348)	32
Finance expenses, income taxes and other net non-operating requirements flow	(269)	(405)	136
Reduction/(Increase) in adjusted net financial debt from continuing operations	**(213)**	**451**	**(664)**
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(78)	(1,283)	1,205
Reduction/(Increase) in adjusted net financial debt	**(291)**	**(832)**	**541**

Equity Free Cash Flow (calculated by applying IFRS 16) for the first half of 2025 was positive at 77 million euros (negative for 681 million euros for the first half of 2024). This financial measure represents the free cash flow available for the remuneration of own capital, to repay debt and to cover any financial investments and payments of licenses and frequencies.

The Equity Free Cash Flow is calculated as follows:

(million euros)	**1st Half 2025**	**1st Half 2024**	**Change**
Reduction/(Increase) in adjusted net financial debt	**(291)**	**(832)**	**541**
Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))	257	21	236
Payment of TLC licenses and for the use of frequencies	—	24	(24)
Financial impact of acquisitions and/or disposals of investments	26	30	(4)
Dividend payment and Change in Equity	85	76	9
Equity Free Cash Flow	**77**	**(681)**	**758**

In addition to what has already been described with reference to EBITDA, the change in adjusted net financial debt for the first half of 2025 was particularly impacted by the following:

Capital expenditures and investments for mobile telephone licenses/spectrum

Capital expenditures and investments for mobile telephone licenses/spectrum of the TIM Group (Sparkle Discontinued Operations) for the first half of 2025, were 834 million euros (938 million euros for the first half of 2024).

Capex is broken down as follows by operating segment:

(million euros)	1st Half 2025		1st Half 2024		Change
		% weight		% weight	
Domestic	481	57.7	523	55.8	(42)
Brazil	353	42.3	415	44.2	(62)
Other Operations	—	—	—	—	—
Adjustments and eliminations	—	—	—	—	—
Consolidated Total	**834**	**100.0**	**938**	**100.0**	**(104)**
% of Revenues	*12.6*		*14.1*		*(1.5)pp*

In particular:

- the **Domestic Business Unit (Sparkle Discontinued Operations)** presents industrial investments of 481 million euros, with a significant share aimed at the development of Mobile and IT infrastructure;
- the **Brazil Business Unit** posted capital expenditures in the first half of 2025 of 353 million euros (415 million euros for the first half of 2024). Other than the unfavorable exchange rate fluctuations (-53 million euros), the Business Unit's capital expenditures decreased by 9 million euros, mainly due to lower IT investments.

Change in net operating working capital

In the first half of 2025, the TIM Group's net operating working capital (Sparkle Discontinued Operations) decreased by 695 million euros, mainly attributable to the performance of trade payables (-686 million) and trade receivables (-89 million), which was only partially offset by other changes in operating receivables/payables (+85 million).

Financial investments

In the first half of 2025, the Financial investments of TIM Group (Sparkle Discontinued Operations) were 26 million euros (34 million euros in the first half of 2024) and mainly referred to:

- the contribution of the Brazil Business Unit in the investment fund, focused on 5G solutions, Upload Ventures Growth;
- the contribution by the Domestic Business Unit into the UV T-Growth investment fund.

Increases in lease contracts

During the first half of 2025, the item came to 316 million euros (348 million euros during the first half of 2024) and includes the greater value of rights of use entered following new passive lease contracts, increases in lease charges and the renegotiation of existing lease contracts.

Financial expenses, income taxes and other net non-operating requirements flow

In the first half of 2025, the flow has a negative balance for a total of 269 million euros (negative for 405 million euros in the first half of 2024). It mainly includes outflows relating to financial management components, as well as the payment of income tax expense and changes in non-operating payables and receivables.

Sales of receivables to factoring companies

It should be noted that the sale of non-recourse trade receivables to factoring companies completed in the first half of 2025 had a positive effect of 949 million euros on net financial debt at June 30, 2025 (1,134 million euros at December 31, 2024).

Net financial debt

Net financial debt is composed as follows:

(million euros)	6/30/2025 (a)	12/31/2024 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	6,070	7,527	(1,457)
Amounts due to banks, other financial payables and liabilities	1,146	1,201	(55)
Non-current financial liabilities for lease contracts	2,482	2,421	61
	9,698	**11,149**	**(1,451)**
Current financial liabilities (*)			
Bonds	2,504	2,401	103
Amounts due to banks, other financial payables and liabilities	1,462	1,469	(7)
Current financial liabilities for lease contracts	490	523	(33)
	4,456	**4,393**	**63**
Financial liabilities directly associated with Discontinued operations/ Non-current assets held for sale	615	—	615
Total Gross financial debt	**14,769**	**15,542**	**(773)**
Non-current financial assets			
Securities other than investments	—	—	—
Non-current financial receivables arising from lease contracts	(38)	(40)	2
Financial receivables and other non-current financial assets	(411)	(646)	235
	(449)	**(686)**	**237**
Current financial assets			
Securities other than investments	(1,441)	(1,539)	98
Current financial receivables arising from lease contracts	(38)	(44)	6
Financial receivables and other current financial assets	(734)	(112)	(622)
Cash and cash equivalents	(1,442)	(2,924)	1,482
	(3,655)	**(4,619)**	**964**
Financial assets relating to Discontinued operations/Non-current assets held for sale	(111)	—	(111)
Total financial assets	**(4,215)**	**(5,305)**	**1,090**
Net financial debt carrying amount	**10,554**	**10,237**	**317**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(137)*	*(111)*	*(26)*
Adjusted Net Financial Debt	**10,417**	**10,126**	**291**
Breakdown as follows:			
Total adjusted gross financial debt	**14,456**	**15,189**	**(733)**
Total adjusted financial assets	**(4,039)**	**(5,063)**	**1,024**
(*) of which current portion of medium/long-term debt:			
Bonds	*2,504*	*2,401*	*103*
Amounts due to banks, other financial payables and liabilities	*735*	*991*	*(256)*
Current financial liabilities for lease contracts	*469*	*474*	*(5)*

The financial risk management policies of the TIM Group are aimed at minimizing market risks, fully hedging exchange rate risk, and optimizing interest rate exposure through appropriate diversification of the portfolio, which is also achieved by using carefully selected derivative financial instruments. Such instruments, it should be stressed, are not used for speculative purposes and all have an underlying, which is hedged.

In addition, to determine its exposure to interest rates, the Group sets an optimum composition for the fixed-rate and variable-rate debt structure and uses derivative financial instruments to achieve that composition. In consideration of the Group's operating activities, the optimum combination of medium/long-term non-current financial liabilities has been identified, on the basis of the nominal value, in the 65%-85% range for the fixed-rate component and in the 15%-35% range for the variable-rate component.

In managing market risks, the Group has adopted Guidelines for the "Management and control of financial risk" and mainly uses IRS and CCIRS derivative financial instruments.

To provide a better representation of the true performance of Net Financial Debt, in addition to the usual indicator (renamed "Net financial debt carrying amount"), the TIM Group reports a measure called "Adjusted net financial debt", which neutralizes the effects caused by the volatility of financial markets. Given that some components of the fair value measurement of derivatives (contracts for setting the exchange and interest rate for contractual flows) and of derivatives embedded in other financial instruments do not result in actual monetary settlement, the Adjusted net financial debt excludes these purely accounting and non-monetary effects from the measurement of derivatives and related financial assets/liabilities.

For further details, see the "Alternative performance measures" chapter.

Net Financial Debt carrying amount at June 30, 2025 amounted to 10,554 million euros, up 317 million euros compared to December 31, 2024 (10,237 million euros). This increase is mainly due to the Group's operating and financial performance and the payment of dividends by the Brazil BU.

Adjusted net financial debt (including IFRS 16 net debt) amounted to 10,417 million euros at June 30, 2025, an increase of 291 million euros compared to December 31, 2024 (10,126 million euros). The reversal of the fair value measurement of derivatives and related financial liabilities/assets recorded a negative change of 26 million euros; this valuation adjusts the booked Net Financial Debt with no monetary effect.

Adjusted Net Financial Debt – After Lease (net of lease contracts) at June 30, 2025 was equal to 7,498 million euros, up by 232 million euros compared to December 31, 2024 (7,266 million euros).

For a better understanding of the information, the table below shows the various ways by which the Net Financial Debt can be shown:

(million euros)	6/30/2025 (a)	12/31/2024 (b)	Change (a-b)
Net financial debt carrying amount	**10,554**	**10,237**	**317**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(137)*	*(111)*	*(26)*
Adjusted Net Financial Debt	**10,417**	**10,126**	**291**
Leasing	*(2,896)*	*(2,860)*	*(36)*
Leasing - Discontinued operations/Non-current assets held for sale	*(23)*	*—*	*(23)*
Adjusted Net Financial Debt - After Lease	**7,498**	**7,266**	**232**

In the second quarter of 2025, adjusted net financial debt fell by 29 million euros compared to March 31, 2025.

(million euros)	6/30/2025 (a)	3/31/2025 (b)	Change (a-b)
Net financial debt carrying amount	**10,554**	**10,555**	**(1)**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(137)*	*(109)*	*(28)*
Adjusted Net Financial Debt	**10,417**	**10,446**	**(29)**
Leasing	*(2,896)*	*(2,902)*	*6*
Leasing - Discontinued operations/Non-current assets held for sale	*(23)*	*(25)*	*2*
Adjusted Net Financial Debt - After Lease	**7,498**	**7,519**	**(21)**

Gross financial debt

Bonds

Bonds at June 30, 2025 totaled 8,574 million euros (9,928 million euros at December 31, 2024). Repayments totaled a nominal 8,320 million euros (9,625 million euros at December 31, 2024).

The change in bonds in the first half of 2025 was as follows:

(millions of original currency)	Currency	Amount	Repayment date
Repayments			
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	1/27/2025
TIM S.p.A. 1,000 million euros 2.750%	EUR	1,000	4/15/2025
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	4/25/2025

Revolving Credit Facility

The following table shows committed credit lines(*):

(billion euros)	6/30/2025 Agreed	6/30/2025 Drawn down	12/31/2024 Agreed	12/31/2024 Drawn down
Revolving Credit Facility – April 2030	3.0	—	4.0	—
Total	**3.0**	**—**	**4.0**	**—**

(*) In accordance with the contract signed, the Banks have committed to make the funds available on demand (with at least 3 days' notice). As this is a "Committed" line, the banks have no mechanisms in place not to honor the request for funds made by the Company, without prejudice to the market standard early mandatory cancellation clauses (Natural contract expiry, Change in control, Borrower illegality, Events of default each as defined in the contract).

On March 31, 2025, TIM signed an agreement to amend the existing Revolving Credit Facility, effective April 4, 2025, extending its maturity to April 4, 2030 and reducing the amount from 4 billion euros to 3 billion euros.

Average maturity of financial liabilities and cost of debt

The average maturity of non-current financial liabilities (including the current portion of medium/long-term financial liabilities due within 12 months) was 7 years.

The average cost of the Group's debt, considered as the cost for the year calculated on an annual basis and resulting from the ratio of debt-related expenses to average exposure, stood at 6.5%, while the average cost of the Group's debt "After Lease" was equal to 5.7%.

Current financial assets and liquidity margin

As of June 30, 2025, the TIM Group's available **liquidity margin** was equal to 5,883 million euros and calculated considering:

- "Cash and cash equivalents" and "Current securities other than investments" for a total of 2,883 million euros (4,364 million euros at December 31, 2024), also including 497 million euros (nominal) in repurchase agreements expiring by July 2025;
- Revolving Credit Facility amounting to 3,000 million euros, totally available.

This margin covers the Group's non-current financial liabilities (including the portion of the medium/long-term loans due within twelve months) maturing for at least the next 24 months.

In July 2025, the liquidity margin was also boosted by the collection of 995.4 million euros following the assignment of all amounts relating to the 1998 License Fee repayment (principal, revaluation and statutory interest) to a pool of major banks. The assignment had no impact on Net financial debt.

Finally, on July 22, 2025, TIM entered into a SACE-guaranteed 750 million euro Term Credit Facility with leading Italian and international banks (pursuant to Law no. 213 of December 30, 2023, as amended).

In particular:

Cash and cash equivalents amounted to 1,442 million euros (2,924 million euros at December 31, 2024).

The different technical forms of investing available cash can be analyzed as follows:

- **maturities**: investments have a maximum maturity of three months;
- **counterparty risk**: investments by the European companies are made with leading banking, financial and industrial institutions with high credit quality. Investments by the companies in South America are made with leading local counterparties;
- **country risk**: deposits have been made mainly in major European financial markets.

Current securities other than investments amounted to 1,441 million euros (1,539 million euros at December 31, 2024): These forms of investment represent alternatives to the investment of liquidity with the aim of improving returns. They included a total of 437 million euros of Italian and foreign treasury bonds held by Telecom Italia Finance S.A., 572 million euros of bonds purchased by Telecom Italia Finance S.A. with different maturities, all with an active market and consequently readily convertible into cash, and 432 million euros of investments in monetary funds by the Brazil Business Unit.

The purchases of the above government bonds, which, pursuant to Consob Communication no. DEM/11070007 of August 5, 2011, represent investments in "Sovereign debt securities", have been made in accordance with the Guidelines for the "Management and control of financial risk" adopted by the TIM Group.

CONSOLIDATED DATA – TABLES OF DETAIL

To follow, the Separate Consolidated Income Statements, Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statements of Cash Flows as well as Other Information of the TIM Group (Sparkle Discontinued Operations).

Separate Consolidated Income Statement

(million euros)	1st Half 2025	1st Half 2024	Changes	
			(a-b)	
	(a)	(b)	absolute	%
Revenues	**6,597**	**6,660**	**(63)**	**(0.9)**
Other income	135	49	86	—
Total operating revenues and other income	**6,732**	**6,709**	**23**	**0.3**
Acquisition of goods and services	(3,844)	(3,261)	(583)	(17.9)
Employee benefits expenses	(736)	(737)	1	0.1
Other operating expenses	(293)	(309)	16	5.2
Change in inventories	5	27	(22)	(81.5)
Internally generated assets	135	171	(36)	(21.1)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**1,999**	**2,600**	**(601)**	**(23.1)**
Depreciation and amortization	(1,473)	(1,571)	98	6.2
Gains (losses) on disposals of non-current assets	3	—	3	—
Impairment reversals (losses) on non-current assets	—	(14)	14	—
Operating profit (loss) (EBIT)	**529**	**1,015**	**(486)**	**(47.9)**
Share of profits (losses) of associates and joint ventures accounted for using the equity method	(11)	(13)	2	15.4
Other income/(expense) from investments	1	2	(1)	(50.0)
Finance income	547	689	(142)	(20.6)
Finance expenses	(1,030)	(1,486)	456	30.7
Profit (loss) before tax from continuing operations	**36**	**207**	**(171)**	**(82.6)**
Income tax expense	(32)	(35)	3	8.6
Profit (loss) from continuing operations	**4**	**172**	**(168)**	**(97.7)**
Profit (loss) from Discontinued operations / Non-current assets held for sale	(42)	(675)	633	93.8
Profit (loss) for the period	**(38)**	**(503)**	**465**	**92.4**
Attributable to:				
Owners of the Parent	**(132)**	**(646)**	**514**	**79.6**
Non-controlling interests	94	143	(49)	(34.3)

Consolidated Statement of Comprehensive Income

In accordance with IAS 1 (Presentation of Financial Statements), the following Consolidated Statement of Comprehensive Income include the Profit (loss) for the period as shown in the Separate Consolidated Income Statement and all non-owner changes in equity.

(million euros)		1st Half 2025	1st Half 2024
Profit (loss) for the period	**(a)**	**(38)**	**(503)**
Other components of the Consolidated Statement of Comprehensive Income			
Other items that will not be reclassified subsequently in the Consolidated Statement of Comprehensive Income			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		9	8
Income tax effect		—	—
	(b)	**9**	**8**
Remeasurements of employee defined benefit plans (IAS19):			
Actuarial gains (losses)		—	17
Income tax effect		—	—
	(c)	**—**	**17**
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	—
Income tax effect		—	—
	(d)	**—**	**—**
Total other components that will not be reclassified subsequently to Separate Consolidated Income Statement	**(e=b+c+d)**	**9**	**25**
Other components that will be reclassified subsequently to Separate Consolidated Income Statement			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		17	(12)
Loss (profit) transferred to Separate Consolidated Income Statement		(11)	5
Income tax effect		—	—
	(f)	**6**	**(7)**
Hedging instruments:			
Profit (loss) from fair value adjustments		(187)	140
Loss (profit) transferred to Separate Consolidated Income Statement		224	(132)
Income tax effect		(12)	(1)
	(g)	**25**	**7**
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations		7	(446)
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(h)	**7**	**(446)**
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	—
Loss (profit) transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(i)	**—**	**—**
Total other components that will be reclassified subsequently to Separate Consolidated Income Statement	**(k=f+g+h+i)**	**38**	**(446)**
Total other components of the Consolidated Statement of Comprehensive Income	**(m=e+k)**	**47**	**(421)**
Total comprehensive income (loss) for the period	**(a+m)**	**9**	**(924)**
Attributable to:			
Owners of the Parent		**(97)**	**(905)**
Non-controlling interests		106	(19)

Consolidated Statement of Financial Position

(million euros)		6/30/2025 (a)	12/31/2024 (b)	Changes (a-b)
Assets				
Non-current assets				
Intangible assets				
Goodwill		11,034	11,030	4
Intangible assets with a finite useful life		5,679	6,011	(332)
		16,713	**17,041**	**(328)**
Tangible assets				
Property, plant and equipment owned		**4,127**	**4,560**	**(433)**
Rights of use assets		**3,295**	**3,467**	**(172)**
Other non-current assets				
Investments in associates and joint ventures accounted for using the equity method		255	265	(10)
Other investments		162	150	12
Non-current financial receivables arising from lease contracts		38	40	(2)
Other non-current financial assets		411	646	(235)
Miscellaneous receivables and other non-current assets		1,717	1,795	(78)
Deferred tax assets		514	513	1
		3,097	**3,409**	**(312)**
Total Non-current assets	**(a)**	**27,232**	**28,477**	**(1,245)**
Current assets				
Inventories		228	297	(69)
Trade and miscellaneous receivables and other current assets		4,096	4,146	(50)
Current income tax receivables		97	124	(27)
Current financial assets				
Current financial receivables arising from lease contracts		*38*	*44*	*(6)*
Securities other than investments, other financial receivables and other current financial assets		*2,175*	*1,651*	*524*
Cash and cash equivalents		*1,442*	*2,924*	*(1,482)*
		3,655	4,619	(964)
Current assets sub-total		**8,076**	**9,186**	**(1,110)**
Discontinued operations /Non-current assets held for sale				
of a financial nature		111	—	111
of a non-financial nature		1,028	—	1,028
		1,139	**—**	**1,139**
Total Current assets	**(b)**	**9,215**	**9,186**	**29**
Total Assets	**(a+b)**	**36,447**	**37,663**	**(1,216)**

(million euros)		6/30/2025 (a)	12/31/2024 (b)	Changes (a-b)
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent		11,859	11,957	(98)
Equity attributable to non-controlling interests		1,340	1,404	(64)
Total Equity	**(c)**	**13,199**	**13,361**	**(162)**
Non-current liabilities				
Non-current financial liabilities for financing contracts and others		7,216	8,728	(1,512)
Non-current financial liabilities for lease contracts		2,482	2,421	61
Employee benefits		193	200	(7)
Deferred tax liabilities		61	61	—
Provisions		384	485	(101)
Miscellaneous payables and other non-current liabilities		658	896	(238)
Total Non-current liabilities	**(d)**	**10,994**	**12,791**	**(1,797)**
Current liabilities				
Current financial liabilities for financing contracts and others		3,967	3,870	97
Current financial liabilities for lease contracts		490	523	(33)
Trade and miscellaneous payables and other current liabilities		6,754	7,074	(320)
Current income tax payables		37	44	(7)
Current liabilities sub-total		**11,248**	**11,511**	**(263)**
Liabilities directly associated with Discontinued operations/Non-current assets held for sale				
of a financial nature		615	—	615
of a non-financial nature		391	—	391
		1,006	**—**	**1,006**
Total Current Liabilities	**(e)**	**12,254**	**11,511**	**743**
Total Liabilities	**(f=d+e)**	**23,248**	**24,302**	**(1,054)**
Total Equity and Liabilities	**(c+f)**	**36,447**	**37,663**	**(1,216)**

Consolidated Statement of Cash Flows

(million euros)		1st Half 2025	1st Half 2024
Cash flows from operating activities:			
Profit (loss) from continuing operations		4	172
Adjustments for:			
Depreciation and amortization		1,473	1,571
Impairment losses (reversals) on non-current assets (including investments)		—	14
Net change in deferred tax assets and liabilities		(29)	13
Losses (gains) realized on disposals of non-current assets (including investments)		(3)	(3)
Share of losses (profits) of associates and joint ventures accounted for using the equity method		11	13
Change in employee benefits		3	18
Change in inventories		(5)	(25)
Change in trade receivables and other net receivables		(89)	71
Change in trade payables		(575)	(460)
Net change in income tax receivables/payables		18	24
Net change in miscellaneous receivables/payables and other assets/liabilities		148	447
Cash flows from (used in) operating activities	**(a)**	**956**	**1,855**
Cash flows from investing activities:			
Purchases of intangible, tangible and right of use assets on a cash basis		(946)	(1,132)
Capital grants received		—	8
Acquisition of control of companies or other businesses, net of cash acquired		—	(2)
Acquisitions/disposals of other investments		(18)	(23)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1)	84	388
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of		—	—
Proceeds from sale/repayments of intangible, tangible and other non-current assets		1	(23)
Cash flows from (used in) investing activities	**(b)**	**(879)**	**(784)**
Cash flows from financing activities:			
Change in current financial liabilities and other		241	(150)
Proceeds from non-current financial liabilities (including current portion)		—	1,870
Repayments of non-current financial liabilities (including current portion)		(1,630)	(3,776)
Changes in hedging and non-hedging derivatives		8	(8)
Share capital proceeds/reimbursements (including subsidiaries)		—	—
Dividends paid		(85)	(86)
Changes in ownership interests in consolidated subsidiaries		(8)	(8)
Cash flows from (used in) financing activities	**(c)**	**(1,474)**	**(2,158)**
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	**(d)**	**(54)**	**(1,184)**
Aggregate cash flows	**(e=a+b+c+d)**	**(1,451)**	**(2,271)**
Net cash and cash equivalents at the beginning of the period	**(f)**	**2,924**	**2,912**
Net foreign exchange differences on net cash and cash equivalents	**(g)**	(1)	(44)
Net cash and cash equivalents at the end of the period	**(h=e+f+g)**	**1,472**	**597**

(1) This item includes investments in marketable securities of 996 million euros in the first half of 2025 (1,234 million euros in the first half of 2024) and redemptions of marketable securities of 1,133 million euros in the first half of 2025 (1,598 million euros in the first half of 2024), relating to TIM S.A. and Telecom Italia Finance S.A..

Purchases of intangible, tangible and right of use assets

(million euros)	1st Half 2025	1st Half 2024
Purchase of intangible assets	(382)	(386)
Purchase of tangible assets	(431)	(530)
Purchase of right of use assets	(337)	(370)
Total purchases of intangible, tangible and right of use assets on a cash basis	(1,150)	(1,286)
Change in payables arising from purchase of intangible, tangible and right of use assets	204	154
Total purchases of intangible, tangible and rights of use assets on a cash basis	(946)	(1,132)

Additional Cash Flow information

(million euros)	1st Half 2025	1st Half 2024
Income taxes (paid) received	(38)	(16)
Interest expense paid	(584)	(1,180)
Interest income received	177	378
Dividends received	2	1

Analysis of Net Cash and Cash Equivalents

(million euros)	1st Half 2025	1st Half 2024
Net cash and cash equivalents at beginning of the period:		
Cash and cash equivalents	2,924	2,912
Bank overdrafts repayable on demand	—	—
	2,924	**2,912**
Net cash and cash equivalents at end of the period:		
Cash and cash equivalents	1,480	661
Bank overdrafts repayable on demand	(8)	(65)
	1,472	**596**

The additional disclosures required by IAS 7 are provided in the Note "Net Financial Debt" to the TIM Group Half-year Condensed Consolidated Financial Statements at June 30, 2025.

Other information

Average salaried workforce

(equivalent number)	1st Half 2025 (a)	1st Half 2024 (b)	Change (a-b)
Average salaried workforce – Italy	14,125	14,407	(282)
Average salaried workforce – Outside Italy	8,705	8,859	(154)
Total average salaried workforce	**22,830**	**23,266**	**(436)**
Discontinued Operations	620	18,821	(18,201)
Total average salaried workforce - including Discontinued Operations [1]	**23,450**	**42,087**	**(18,637)**

[1] Includes personnel on temporary employment contracts: 65 average salaried staff in Italy in the first half of 2025; 2 average salaried staff in Italy in the first half of 2024.

Headcount period end

(number)	6/30/2025 (a)	12/31/2024 (b)	Change (a-b)
Headcount – Italy	17,031	17,521	(490)
Headcount – Outside Italy	8,959	9,366	(407)
Total headcount at period end	**25,990**	**26,887**	**(897)**
Discontinued Operations	677	—	677
Total headcount at period end - including Discontinued Operations [1]	**26,667**	**26,887**	**(220)**

[1] Includes personnel on temporary employment contracts: 131 in Italy as of June 30, 2025; 63 in Italy as of December 31, 2024.

Headcount at period end – Breakdown by Business Unit

(number)	6/30/2025 (a)	12/31/2024 (b)	Change (a-b)
Domestic	17,073	17,751	(678)
Brazil	8,904	9,123	(219)
Other Operations	13	13	—
Total	**25,990**	**26,887**	**(897)**

AFTER LEASE INDICATORS

TIM Group, in addition to the conventional financial performance measures established by the IFRS Accounting Standards, uses certain alternative performance measures in order to present a better understanding of the trend of operations and financial condition. Specifically, following the adoption of IFRS 16, the TIM Group presents the following additional alternative performance measures:

LIKE-FOR-LIKE EBITDA AFTER LEASE - TIM GROUP

(million euros)	1st Half 2025	1st Half 2024	Changes	
			absolute	%
Like-for-like ORGANIC EBITDA	**2,064**	**1,957**	**107**	**5.5**
Lease payments	(329)	(305)	(24)	
Like-for-like EBITDA After Lease (EBITDA-AL)	**1,735**	**1,652**	**83**	**5.0**

LIKE-FOR-LIKE EBITDA AFTER LEASE - DOMESTIC

(million euros)	1st Half 2025	1st Half 2024	Changes	
			absolute	%
Like-for-like ORGANIC EBITDA	**1,049**	**1,003**	**46**	**4.6**
Lease payments	(92)	(85)	(7)	
Like-for-like EBITDA After Lease (EBITDA-AL)	**957**	**918**	**39**	**4.2**

EBITDA AFTER LEASE - BRAZIL

(million euros)	1st Half 2025	1st Half 2024	Changes	
			absolute	%
ORGANIC EBITDA excluding non-recurring items	**1,018**	**956**	**62**	**6.5**
Canoni per leasing (*)	(237)	(220)	(17)	
EBITDA After Lease (EBITDA-AL)	**781**	**736**	**45**	**6.1**

(*) Does not include approximately 31 million reais in sanctions associated with the decommissioning plan following the acquisition of the Oi Group's movable assets; approximately 5 million for the first quarter of 2025 (approx. 59 million reais; approximately 11 million euros in the first half of 2024).

ADJUSTED NET FINANCIAL DEBT AFTER LEASE - TIM GROUP

(million euros)	6/30/2025	12/31/2024	Change
Adjusted Net Financial Debt	**10,417**	**10,126**	**291**
Leasing	(2,919)	(2,860)	(59)
Adjusted Net Financial Debt - After Lease	**7,498**	**7,266**	**232**

EQUITY FREE CASH FLOW AFTER LEASE TIM GROUP

(million euros)	1st Half 2025	1st Half 2024	Change
Equity Free Cash Flow	**77**	**(681)**	**758**
Lease contract payments (principal share)	(198)	(347)	149
Equity Free Cash Flow After Lease	**(121)**	**(1,028)**	**907**

EVENTS AFTER JUNE 30, 2025

See the Note "Events After June 30, 2025" in the Half-Year Condensed Consolidated Financial Statements at June 30, 2025 of the Tim Group.

BUSINESS OUTLOOK FOR THE YEAR 2025

In light of the performance of the main business segments in the first six months of 2025, the guidance already communicated with the approval of the TIM 2025-2027 Business Plan is confirmed.

MAIN RISKS AND UNCERTAINTIES

Risk management is a strategic value-creation tool for the TIM Group, which has adopted an *Enterprise Risk Management* model, which is continuously being improved and aligned with international regulations and *standards* and enables risks to be identified, assessed and managed in a homogenous way within the Group, highlighting potential synergies between the players involved in the assessment of the Internal Control and Risk Management System.

The *Enterprise Risk Management* process is integrated with strategic and operational planning processes and is designed to identify potential events that may affect the company's business so that these risks can be managed within acceptable limits (i.e. keeping risks at a level that does not compromise the TIM Group's financial, operational and reputational stability), providing a reference *framework* to support the achievement of its Business Plan.

In addition, the TIM Group, which has always been attentive to sustainability issues, recognizes and integrates risks considered material by internal and external *stakeholders*, and/or inferred from the dual materiality analysis, based on financial materiality, which influences the company's income and financial performance, and impact materiality, which highlights how the company's activities may affect the environment, society and *stakeholders*, contributing to a more comprehensive and sustainable risk management.

The *Enterprise Risk Management* model adopted by the TIM Group:

- identifies and updates, in cooperation with the *Risk Owners*, the overall portfolio of risks to which the Group is exposed through analysis of the Business Plan and the most significant investment projects;
- monitors the reference context (i.e., macroeconomic and regulatory) in order to update specific analyses of the risks to which the company's *assets* may be exposed in order to intercept any changes and/or new risk scenarios, periodically updating the Group's risk profile;
- quantitatively assesses risks both individually and from a portfolio perspective, taking possible correlations into account;
- supports management in defining risk appetite and related tolerances that are preliminarily validated by the Control and Risk Committee (CRC) and subsequently approved by the Board of Directors (BoD);
- supports management in defining and monitoring risk mitigation plans and also periodically updates the CRC on the level of risk detected, again with respect to approved tolerances, and this documentation is then submitted for final approval to the Board of Directors;
- manages the flow of information to top management and the bodies responsible for evaluating the Internal Control and Risk Management System (ICRMS) periodically or at the express request of the Control Bodies;
- periodically convenes the ERM Steering Committee for the purpose of documenting and communicating to the respective Risk Owners the risk profile with respect to the approved tolerances, in order to promptly intervene with appropriate remedial actions when necessary and/or as indicated by management.

By way of non-exhaustive list, the main risk factors analyzed and described in the following paragraphs are given below: evolution of the international geopolitical climate, the market environment and competitive scenarios by business segment, including scenarios of potential new *competitor* entries; potential proceedings brought by the Authorities and consequent delays in implementing new strategies; potential supply chain issues, aggravated by the US government's new policies on tariffs; possible cyber attacks on the most relevant applications; issues related to regulation of the use of artificial intelligence; issues related to new networks and infrastructures; obligations related to the Italian Government's exercise of special powers (*Golden Power*), the effects of which will be assessed in terms of the strategic choices and the development of the Plan's objectives over time.

Risks related to the business and industry

Risks related to competition

The telecommunications market continues to maintain a high level of competition, which entails potential risks for the TIM Group to reduce its market share and/or impact market prices; In addition, Swisscom's acquisition of Vodafone Italia has created a more significant competitor for TIM – one that is dominant in some geographic areas as well as vertically integrated – which could exert more competition, particularly in the Business segment.

Competition in the telecommunications market is also affected by the strategies of adjacent sectors (e.g., energy) where operators have expanded their services by also offering integrated offerings that include fiber connectivity. There is also the entry to the market of low-orbit satellite operators, which, in the event of disparity in regulatory conditions between satellite and terrestrial operators, could create a risk of unfair competition to TIM's disadvantage, posing an additional competitive threat.

In addition to the traditional services of the core business, competition on the innovative services and converging offers market remains significant, with this extending towards the world of content, which increases both opportunities and risks for the operators.

Competitive risks in the Brazilian market lie in the rapid transition of the business model tied to both traditional services and the more innovative ones. As the consumption patterns of the customer base change (migration from voice to data services), service providers need to act swiftly in upgrading their infrastructure and modernizing their portfolios of products and services. In this situation, TIM Brasil may not be able to respond in a timely manner to the rapid development of technology and infrastructure.

Risks associated with agreements with Suppliers and Partners

The TIM Group maintains important relationships with various suppliers of hardware, software and services which it uses for the operation of its network and systems and for customer assistance. It also relies on third parties to supply network equipment, smart devices, software licenses and accessories needed for its business. To guarantee transmission capacity and quality levels necessary for the growing number of customers and their changing needs, it also relies on the electronic communications networks of other operators and on the networks created by some local authorities, (i.e. FiberCop, Fastweb, Open Fiber, A2A, Lepida).

In the event that one or more suppliers of the TIM Group should be unable to provide the required products and/or services, this could affect the Group's ability to fully control its networks, offer high-quality services, and could result in additional costs with a material adverse impact on its business, financial position, cash flows and/or operating results.

The TIM Group also avails of a series of subcontractors for the maintenance of its network, the management of its call centers and the supply, installation and maintenance of terminals in its customers' homes. Although operating with a limited number of subcontractors that it carefully selects and monitors, it is not always possible to guarantee that their tasks are carried out correctly and fully compliant with the required quality and safety standards or that the tasks are not further assigned to other third party contractors.

In the event that hardware or software products are defective or service levels provided by third-party contractors do not meet contractual requirements or are not performed properly, customer relationships and brand reputation may suffer.

The TIM Group has agreed multi-year contracts for the hosting and management of its network equipment, and for distribution of television content which oblige it to pay the counterparties a minimum guaranteed amount. The evaluation of such multi-year contracts, and the estimation of costs associated with them, are subject to a number of risks and uncertainties which include, among others, market dynamics, pronouncements of market regulatory authorities and the development of new technologies at service support. These estimates are reviewed periodically on the basis of actual data in order to ensure that the forecast data remain within meaningful ranges. Not all the factors mentioned are under the control of TIM and could therefore have a significant impact on future forecasts regarding the performance of the contracts, the estimated margin and/or the cash flows that will be generated.

The recent revision of the US government's tariffs policy has aggravated a situation already considered critical for ICT supply chains. Like other companies in the sector, attempts have been made in recent years to diversify supply also on a geographic basis. However, with the new tariffs there is a risk that these alternatives will also be jeopardised, increasing uncertainty both in terms of higher costs and potential lower revenues due to the possible contraction in demand.

International tensions relating to US trade policies as well as the conflicts in Ukraine and the Middle East could also have repercussions on energy costs, which are being mitigated by TIM through appropriate hedging strategies.

From an ESG perspective, suppliers contribute substantially to TIM's overall environmental impact. In this light, failure to effectively engage suppliers in reducing CO_2 emissions can pose a risk to the company in terms of failing to meet climate goals, with economic and reputational impacts.

Risks following the sale of NetCo

With the sale of NetCo and the subsequent transfer of the fixed infrastructure, as of July 1, 2024 FiberCop became the exclusive wholesale provider of ADSL and FTTC connectivity, the leading FTTH connectivity provider in Italy, and the largest provider in the TIM Group.

The TIM Group and FiberCop signed a Service Agreement regulating their mutual supply relationships. Under this deal, the TIM Group will acquire wholesale fixed-line access services from FiberCop to provide its fixed-line services to retail customers.

The Service Agreement will evaluated by the relevant Authorities (AGCom and AGCM) and the agreed economic conditions could change as a result of those proceedings, which could generate positive or negative impacts for the TIM Group.

If FiberCop's services are inadequate or if FiberCop ceases to provide these services, the TIM Group may not be able to provide all or part of its fixed-line services to residential customers.As a result, demand for products and services could be significantly affected, in turn materially and adversely impacting the business, financial position and operating results.

If FiberCop fails to develop and maintain its fixed network, or suffers a major disruption, slowdown or problem in the supply chain, the TIM Group's business, financial position and operating results could also be significantly impacted.

Risks related to the development of networks and ICT

The TIM Group, in order to maintain and expand its customer base in each of the markets in which it operates, constantly maintains and develops its existing networks. A reliable and high-quality network is necessary to maintain the customer base and protect the Company's revenues from erosion.

The maintenance and improvement of existing installations depend on the Group's ability to:

- deliver network development plans within the time-frames contemplated by business development plans and with the necessary level of effectiveness/efficiency;
- upgrade the capabilities of the networks to provide customers with services that are closer to their needs;
- increase the geographical coverage of innovative services;
- upgrade the structure of the systems and the networks to adapt it to new technologies;
- sustain the necessary level of capital expenditure in the long term;
- expand the capacity of its existing fixed and mobile networks to cope with the increased use of the bandwidth.

If TIM fails to maintain and develop networks, it may be less attractive to new customers and/or may lose market share to competitors.

Unforeseeable instant increase in traffic

Considerable, unforeseeable instant increases in traffic due, for example, to live video events streamed on the network by an OTT (*Over The Top*) may, in some cases, have a major impact on the overall performance of the TIM network for the entire duration of the event, causing slow-downs or temporary blocks to communication, with consequences in terms of reputation and customer satisfaction.

4.5G/5G Broadband and the Internet

The continuous development of internet and broadband services, is a strategic goal for the TIM Group to increase the use of its networks. Its capacity to successfully implement this strategy may be negatively impacted if:

- mobile Broadband coverage does not grow as expected;
- the competition grows through to including contiguous market players or technological developments introducing new platforms to access and/or distribute the Internet;
- the company is unable to provide superior broadband services to those offered by its competitors;
- service interruptions or capacity problems with the network infrastructure occur;
- there are delays in obtaining necessary permits and authorizations;
- supply shocks occur in the procurement of materials and devices;
- adequate returns are not obtained from investments related to network development.

The implementation of broadband mobile technologies depends on a series of factors, including the availability and selection of cutting-edge technologies by suppliers of TIM networks/platforms and devices. If the Group is unable to achieve its goals for the implementation of an adequate UBB (*Ultrabroadband*) mobile coverage, it may lose market share to its competitors in this strategically important segment.

Each of the aforementioned factors can negatively impact the correct implementation of strategy and, consequently, business and operating results.

Failure to meet coverage targets and technological transformation of legacy infrastructure and platforms can limit the supply of high-speed connectivity and reduce the quality of service offered, with consequences for customer experience, cash flows and corporate reputation.

ICT assets and services to support the Business

The ICT market and in particular the market for cloud services in both the private and public segments is growing continuously.

The TIM Group also holds a 45% stake in the Polo Strategico Nazionale ("PSN"), which deals with the design, preparation, setup and management of infrastructures for the provision of cloud services and solutions. for Italian local and national public administrations.

The Group's strategies, such as the implementation of new technology infrastructure (i.e., Data Centers), partnerships with major global players, and a series of innovative proprietary IT solutions, are assets available for executing a growth strategy in this area.

The rapid rate of technological innovation and fierce competition are the main challenges that need to be addressed and managed, as they pose a risk in terms of revenues and margins, requiring careful and timely evaluation of investments. This highly competitive market sees the continuous entry of new national and international players, who compete for market share, continually changing the balance in this sector with a possible impact on the TIM Group's Plan objectives.

Risks and challenges relating to the implementation of AI solutions

The market for Artificial Intelligence (AI) related services is also rapidly developing. TIM, which partners companies and public administrations in enabling the country's digital transformation, has set up a technology hub in Turin to develop and test further AI solutions, while also adopting an ethical and responsible approach to managing the new risks deriving from integrating AI into business processes, such as:

- Compliance with laws and regulations (i.e. European regulation on artificial intelligence - EU AI Act);
- data quality (big data and data analytics);
- The technological infrastructure and its interoperability with systems.

To meet this challenge, TIM is managing new risks related to the use of AI solutions and systems, such as:

- regulatory non-compliance;
- breach of privacy and data security;
- discrimination (fairness in the treatment of groups of people);
- distortive effects produced by AI systems;
- sustainability of investments in AI;
- *cyber security*.

The potential effects of these risk factors would have significant economic, legal and reputational impacts on the Company. In order to mitigate such possible impacts, TIM has chosen to adopt centralized governance by establishing a multifunctional team with cross-functional expertise.

Cyber security risks

Cyber risk is on the increase worldwide and as such requires continual monitoring by TIM, given the sheer amount of IT assets the company manages in terms of own TLC infrastructure and assets necessary to deliver services to customers, some of which, considered essential, come under the scope of legislation governing the National Cyber Security Perimeter.

Cyber attacks can interrupt availability of service and compromise data, putting the company's reputation as supplier of critical national infrastructures at risk, as well as resulting in financial losses, reduction of market share and regulatory sanctions.

Despite efforts to keep its applications constantly updated and replace outdated systems, they may be vulnerable and subject to cyber attacks from internal and external sources, which could cause service unavailability and compromise data, posing a significant risk to the Group's reputation.

The company works to prevent and limit the impact of cyber attacks, but absolute protection cannot be guaranteed.

In view of these considerations, particular attention was paid to protecting systems from main threats (e.g. viruses, malware, data theft). With a wide range of attackers (Cyber-Criminals, Cyber-Terrorists, Insiders, etc.), the Group carries out activities not only to safeguard its infrastructure but also – with a strong sense of responsibility – to protect customers' information assets, that are a priority target for the company and for the country system.

With regard to the prevention phase, the Group oversees cyber risk analyses by setting out security plans for the company's IT assets in order to identify in advance the actions necessary to mitigate cyber risk and to ensure the adoption of a security-by-design approach. This approach also includes overseeing the plans behind these actions and verifying their actual implementation in the field.

The Group has also set up advanced testing labs to test the security level of equipment and systems before they are put into operation, as well as isolated environments dedicated to identifying possible vulnerabilities in hardware and software products deployed.

As for its identification of and response to cyber attacks, the Security Operation Center (SOC), operates 24/7, 365 days a year, in order to manage IT security incidents and help limit their impacts. In addition, in order to partially mitigate any economic and financial impacts from cyber attacks, the TIM Group has structured a specific risk transfer policy through dedicated insurance coverage.

As regards the understanding and prevention of cyber threats, TIM is equipped with a dedicated Cyber Threat Intelligence structure which acquires, processes and uses data and information from multiple external sources (public, private, institutional and the deep and dark web) to increase its capacity to identify and timely combat emerging threats and outline evolving risk and threat scenarios.

Information exchanges and collaboration with the National Cyber Security Agency (ACN) and other institutions (e.g. National Cybercrime Center for the Protection of Critical Infrastructures - CNAIPIC) are included in this context.

The TIM Group continues to act in coordination with the Agency for National Cyber Security (ACN) and, in particular, given the geopolitical context and in view of the evolution of information exchanges at the European and NATO levels, has raised the alert level in relation to cyber risk.
The inability to operate the TIM Group's networks and systems as a result of cyber attacks, even for a limited period of time, could result in significant expenses, a loss of market share, lower revenues from business interruption, and higher litigation costs. A major safety incident and/or business interruption and/or failure to comply with applicable laws and regulations could result in financial loss, reputational damage, loss of market share, and penalties.

As cyber attacks continue to evolve, the TIM Group could incur significant costs to improve protection measures and/or remediate any vulnerabilities. The loss of confidential or proprietary data through a breach could have a material adverse effect on TIM Group's business, financial position, operating results, and prospects.

Business Continuity Risks

The success of the TIM Group largely depends on the continuous performance of its IT systems, network and data centers that it manages for customers. The operations of the Group require large amounts of data to be processed and stored every day, ensuring that they are uninterruptedly and accurately transmitted, stored, and available in real-time in accordance with applicable law.

The technical infrastructure of the TIM and the assets managed on behalf of customers are vulnerable to damage or interruptions caused by technological failures, blackouts, floods, storms, fires, terrorist acts, illegal acts, human errors and similar events. Any of these events could negatively affect customer satisfaction, damaging the company's reputation.

TIM has adopted a "Business Continuity Management System" (BCMS) framework, in line with international standards, to analyze and prevent the above-mentioned threats. It considers Business Continuity to be fundamental for the protection of the Group's value and reputation, for the delivery of its services, and for full compliance with customer contracts, industry regulations, and, more generally, reference methodologies and best practices.

TIM has also put in place an insurance program to cover Business Interruption risks with reference to the activities carried out in the Group's Data Centers.

Fraud risks

Technological progress means that increasingly sophisticated tools and techniques, which are quick acting and have a considerable economic impact are available for the perpetration of fraud and abuse.

"Conventional" phenomena such as subscription, interconnection, and commercial fraud currently generate the highest part of revenue loss and will continue to be significant in the near future, however new types of Internet-style fraud are gradually gaining more ground (Internet spamming/phishing, service reselling, VoIP bypass, etc.). Furthermore, some specific types of offered services (e.g. wholesale international interconnection, voice or data services, premium services) are potentially at risk of third party use for the construction of fictitious transaction schemes, tax avoidance offenses and/or international money laundering.

The TIM Group has had an established organizational model based on the governance of fraud in place for some time. It envisages a series of fraud risk assessments that, together with the evidence of internal and external fraud management, help identify, plan and monitor the operative supervision of the prevention of and fight against fraud. TIM has also put in place an insurance program that provides coverage for certain types of fraud risks.

Risks related to climate change

The transfer of the network to FiberCop resulted in a reduction of the total emission impact for the TIM Group and a redistribution of the type of emissions produced. In more detail: on the one hand, the downsizing of civil and industrial infrastructure has reduced emissions related to production activities (Scope 1) and energy purchases (Scope 2), resulting in TIM Group's having a lower exposure to volatile prices for the energy itself. On the other hand, the increase in emissions related to production activities in the supply chain (fixed-line wholesale services, management services for industrial and civil properties, and energy) requires TIM Group to increase its efforts to guide suppliers' decarbonization actions in order to avoid the risk of not meeting climate commitments, with repercussions on corporate reputation and access to sustainable finance.

The national and European regulatory environment related to environmental issues continues to be a factor to watch as it could lead to an increase in electricity prices, a change in the availability of renewable energy certificates, and/or the possible introduction of a carbon tax, resulting in higher operating costs for the TIM Group.

There is also the risk that the worsening of climatic conditions and the increase in global average temperatures increases the probability and severity of extreme weather events, such as heat waves, flooding and wind storms that can cause major interruptions to telecommunications and ICT services, reduce the efficiency of work (hours effectively worked) and may consequently impact the business. The probability and gravity of extreme weather events can also result in the need for additional investments in cooling technology and other, more resilient infrastructures. In this regard, TIM has put in place a specific insurance program to cover natural catastrophic risks.

Risks associated with staff engagement

The ability to attract and retain qualified and motivated staff is a key factor in ensuring the pursuit of strategic goals while ensuring high levels of service and customer satisfaction.

The Group's new organizational structure, which saw a reduction in the number of employees in 2024 as a result of the divestment of the network infrastructure, confirms the focus on equal opportunity and inclusion as a way to reduce the risk of gender inequality in terms of pay, positions of responsibility and career paths, with consequences for talent attraction and retention.

Financial risks

The TIM Group is exposed to various types of financial risks, such as risks arising from fluctuations in interest rates and exchange rates, credit risk, liquidity risk and risks related to the performance of the equity markets in general, and, more specifically, risks related to the performance of the share price of the TIM Group companies.

In general, TIM hedges foreign currency exposure but not translation risk related to its foreign subsidiaries, however, for FY 2024 and also for FY 2025, it was decided to hedge a material portion of the exposure to fluctuations in the Euro - Brazilian Real exchange rate in order to mitigate the effect of volatility at the level of Group Consolidated Equity Free Cash Flow. It should be noted, however, that these realized hedges may not be able to fully protect the Group from adverse exchange rate movements.

According to the Group policies, hedging of the exposure in foreign currencies is mandatory when relating to the financial liabilities. Therefore, consolidated companies funded in currencies other than that of its Financial Statements generally engage in cross-currency and interest rate swaps to hedge this exposure to exchange rate risk.

The TIM Group is also exposed to the interest rate risk on the portion of consolidated net debt that is index-linked to variable rates. The decision to maintain a certain debt structure at fixed and variable rates aims to minimize the negative impact of the interest paid and is partially achieved through the use of derivatives, through which variable-rate liabilities are synthetically converted into fixed-rate instruments. Any change to interest rates that has not been adequately hedged by derivatives may have an impact on the economic profile of TIM's variable rate financial liabilities, which may have negative impacts on the results of its transactions and on cash flows.

An increase in sovereign spreads and the risk of default they reflect, in the countries in which the TIM Group operates, may impact the value of its assets in such countries.

TIM may also be exposed to financial risks such as those linked to the performance of the stock markets in general and, more specifically, risks linked to the trend of the share price of the TIM Group companies.

These risks may adversely impact the earnings and the financial structure of the Group. Accordingly, to manage those risks, the TIM Group has established guidelines, at central level, which must be followed for operational management, identification of the most suitable financial instruments to meet set goals, and monitoring the results achieved.

In particular, in order to mitigate the liquidity risk, the TIM Group aims to maintain an "adequate level of financial flexibility", in terms of cash and syndicated committed credit lines, enabling it to cover refinancing requirements at least for the next 12-18 months.

Commercial Credit Risk

The operations of the TIM Group depend significantly on the ability of its customers to pay for its services. In the domestic market, TIM uses predictive analytical models both to assess customers' credit risk and to apply credit management and recovery actions consistent with its contractual terms and regulations, with a view to taking timely action to maximize collections.

In Brazil, pursuant to Anatel legislation, the TIM Group is authorized to take certain measures to reduce customer defaults, such as limiting the services provided to customers with a history of defaults.

If the TIM Group is unable to take measures to limit its customers' missed payments or to allow it to accept new customers based on credit history, the TIM Group will remain exposed to the risk of insolvency.

Risks related to macroeconomic factors

The TIM Group's economic and financial situation, including its ability to sustain the expected level of cash flows and margins, is influenced by multiple macroeconomic factors such as economic growth, consumer confidence, interest rates, inflation and the exchange rates in the markets in which it operates.

The current climate presents high and persistent uncertainty. Geopolitical conflicts and tensions, US trade policy decisions and the progress of tariff negotiations with the EU are affecting the outlook for international growth, with all institutions extremely cautious in their forecasts of economic indicators.

The latest figures on the Italian economy published by ISTAT (July 2025) confirms +0.3% cyclical GDP growth in the first quarter, as already forecast back in May. This forecast scenario assumes growth of +0.6% for 2025, down from 2023-24 (+0.7%), and +0.8% for 2026.

These estimates are due to a growth of domestic demand (net of inventories), whereas foreign demand is expected to have a negative contribution in both years. Inflationary trends in June were up by +1.7%, in line with the previous period and lower than in the euro area as a whole. The Bank of Italy's forecast scenario is in line with ISTAT's GDP growth scenario (+0.6% in 2025 and +0.8% in 2026), forecasting of +0.7% for 2027. Tariffs and uncertainty would weigh negatively on investment and exports, reducing potential growth by about 0.5 points over the three-year forecast period.

IBGE, the Brazilian statistical institute, estimates that Brazil's seasonally adjusted GDP growth for the first quarter of 2025 was +1.4% on a cyclical basis, thanks to the performance of sectors less sensitive to economic cycles (especially agriculture). According to the forecasts contained in Banco Central do Brasil's *Relatório de Política Monetária* (June 2025), the GDP growth projection for 2025 is to be revised upwards from +1.9% to +2.1% (down from +3.4% in 2024), although uncertainties about the international landscape have prompted caution in anticipation of a possible slowdown in activity later in the year. In May, cumulative inflation over the 12-month increased to 5.32% and is expected to stand at between 5.4% and 5.5% in the first three quarters of 2025, before falling to 4.9% at the end of the year (3.6% for the fourth quarter of 2026 and 3.2% for the fourth quarter of 2027).

Geopolitical uncertainty

On July 28, 2025, the United States and the European Union reached a trade agreement establishing a 15% tariff on most EU exports to the US, including vehicles, auto parts, pharmaceuticals, and semiconductors. With this rate of tariff, the previously threatened hike to 30% has been avoided, but it is still a significant increase on the previous terms. The agreement does not cover some sectors such as steel and aluminium, which will continue to be subject to 50% tariffs above certain export volumes under a new quota system that has yet to be defined. On the other hand, other strategic sectors benefit from zero-tariff regimes, including aircraft, certain chemicals, raw materials and equipment for semiconductors. The agreement reduces the risk of a trade war for the time being, but there are still various questions over its technical implementation, as it is based on a non-legally binding political understanding and will be subject to further negotiations in the coming weeks.

The strong geopolitical tensions have not subsided: The war in Ukraine continues without a prospect of resolution, characterised as it is by military escalation and new EU sanctions against Russia. In the Middle East, despite ongoing attempts at mediation, the conflict between Israel and Iran has continued to have lasting effects, with the risk that the instability in the region will continue and indeed widen.

Ongoing developments in the geopolitical context have an indirect impact on the TIM Group's business, mainly related to the repercussions that may occur on energy, materials and transportation costs, which to date remain contained, but could prove more significant if the current situation deteriorates. Also to be assessed are the possible impacts in terms of security and protection of the workforce, the possibility that cyber attacks may strike the infrastructure and data of the company or its customers, an increased probability of a shock of the supply chain that would entail higher inflation in the short and medium term, international market fluctuation and some volatility in interest rates which could affect borrowing costs.

Pandemic risk

Although the peak of the Covid-19 pandemic is behind us, the possibility of new outbreaks due to new variants cannot be excluded entirely. This could impact the TIM Group's operations and may lead to a decline in roaming volumes, lesser customer growth, an increase in bad debt, negative effects on network maintenance and the supply chain with a consequent reduction in margins, revenues or delays in cash flows.

Risks relating to the legislative and regulatory context

The TIM Group may be exposed to risks of non-compliance (Compliance Risks) due to non-observance/breach of internal (self-regulation, such as, for example, bylaws, code of ethics) and external rules (laws, regulations, new accounting standards and Authority orders), with consequent judicial or administrative penalties, financial losses or reputational damage.

The company aims to ensure that processes, and, therefore, the procedures and systems governing them, and corporate conduct comply with legal requirements. The risk is associated with potential time lags in making the processes compliant with regulatory changes or whenever non-conformances are identified and is monitored by the dedicated internal control system.

The TIM Group has to deal with disputes and litigation with tax authorities and government agencies, regulators, competition authorities, other telecommunications operators and other entities. The possible impacts of such proceedings are generally uncertain. In the event of settlement unfavorable to the Group, these issues may, individually or as whole, have an adverse effect, which may even be significant, on its operating results, financial position and cash flows.

Regulatory risks

The electronic communications industry is highly regulated. As such, new decisions by the Italian Communications Authority (AGCOM) may lead to changes in the regulatory framework that may affect the expected results of the Group and the guidance announced to the market. In addition, the structure of the fixed and mobile markets results in high levels of scrutiny from the AGCM (the Italian Competition Authority) over competition in the sector.

The main elements that introduce uncertainty are:

- lack of predictability in start-up timing and consequent final decisions in new proceedings by AGCOM and AGCM (the Italian Competition Authority);
- AGCOM decisions about pricing policies for wholesale fixed network services, which could potentially impact the profit margins of services provided to end customers;
- AGCOM decisions that can influence the technological choices, with potential impact on the timing of return on infrastructure investment;
- any AGCM (the Italian Competition Authority) decisions that can limit TIM's competitive capacity (for example, in terms of minimum retail prices to guarantee market competitiveness);
- any AGCOM or AGCM (the Italian Competition Authority) decisions that impose constraints on the pricing or conditions of fixed-line and mobile offers on the basis of consumer protection legislation.

General Data Protection Regulation (GDPR)

Regulation (EU) 2016/679 (General Data Protection Regulation, GDPR), which became directly applicable as from May 25, 2018 and has been enacted in Italy by Legislative Decree no. 101/2018 has increased administrative fines considerably compared to the Data Protection Act previously in effect, and in some cases fines of up to 20 million euros may be administered, or in the case of companies, of up to 4% of their global annual turnover of the previous year, if this amount is higher than 20 million euros.

All necessary initiatives are adopted in order to guarantee the conformity of personal data processing with the GDPR and the Personal Data Protection Code (Italian Legislative Decree no. 196 of June 30, 2003).

The Company's operative processes have been adapted according to the principle of privacy-by-design, with special attention paid to the commercial, relations with customers and technological processes, adopting the methods defined by corporate regulations dedicated to the application of the GDPR and the provisions of the Data Protection Authority. Personal data processing, where specific risks are entailed, is subject to preventive Privacy Impact Assessment (PIA) according to the indications of the European Data Protection Board (EDPB), it is censused and the related responsibilities are attributed to the suitable managerial level of the Company's organization, as envisaged by the Privacy Code in application of the accountability principle laid down by the GDPR.

The TIM Group constantly monitors the evolution of the rules, regulations and opinions adopted by the Data Protection Authority (GPDP), takes all steps necessary to ensure compliance with such provisions and carries out checks on the processes and activities deemed most at risk.

However, the risk of shortcomings in the implementation of security measures, in compliance with legal requirements governing data processing, in applying rules on data storage, in notifying data breaches by the mandatory strict (and narrow) deadlines, could lead to disputes with the data protection authority and sanctions. In addition, the risk of personal data breach can lead to disputes with data subjects and reputational damages, consequently impacting the Group's business and operating results.

Health and Safety at Work

The Company has exposure to several workplace health and safety risks that could have significant impacts. These include the possibility of injuries caused by unsafe working conditions or unforeseen accidents, as well as the risk of occupational disease due to exposure to harmful substances and job-related stress. In addition, any non-compliance with health and safety regulations could result in legal sanctions and damage to the Company's reputation. Occupational accidents and illnesses can lead to work disruptions, which reducing operational efficiency and increase costs. There is also the risk of significant compensation costs in case of work-related injuries or illnesses.

To mitigate these risks, the Company ensures that it complies with all legislative requirements in occupational health and safety. This includes assessing risks to workers' safety and health with a view to continually minimizing those risks, as well as preparing Risk Assessment Documents. The Company has principles, standards and solutions in place aimed at achieving “zero workplace accidents”. This involves implementing prevention measures and verifying that they are adequate and effective.

Key tools in this regard are schemes to raise awareness and involve employees in the Company's health and safety policies and objectives, as well as providing training and information on the risks and control measures implemented to mitigate said risk.

Golden Power

The issuing of the so-called “Golden Power” Decrees, with reference primarily to Legislative Decree no. 21/2012, aimed at attributing to the State special powers on corporate structures in the sectors of Defense and National Security, as well as for activities of strategic importance, in the specific Telecommunications sector, affects the public-private relationship, enriching the value of technological assets and services included in the Golden Power perimeter due to the institutional purpose pursued. This could, on the one hand, limit TIM's autonomy in carrying out its activities in the area of strategic services, but on the other hand, TIM, as a strategic operator, can guarantee advantages to its shareholders by making any change of control more complex, thus protecting investments and guaranteeing a higher level of security of strategic assets and services.

In summary, the Prime Minister established that the Company is subject to the obligations pursuant to Legislative Decree no. 21/2012 (the “Golden Power Decree”, setting out special powers rules) in the provision of September 28, 2017, as a business that:

- carries out “activities of strategic importance for the defense and national security system” (as per article 1 of the Decree Law) and
- possesses networks and systems “necessary to ensure the minimum supply and operation of essential public services” and goods and relationships “of strategic importance for the national interest” in the communications sector (as per article 2 of the same Decree Law).

Failure to comply with these obligations, provided that the facts do not constitute a crime, shall result in the imposition of administrative fines of up to twice the value of the transaction, but in no case less than 1% of the company's turnover or the cumulative turnover of the companies involved in the last financial year for which the budget was approved.

The regulatory architecture relating to TIM led to the issuing of the Prime Ministerial Decrees of October 16 and November 2 in 2017.

With the ruling of October 16, 2017, the Prime Minister exercised the special powers provided for in article 1 of Legislative Decree no. 21/2012 by imposing specific provisions and conditions on TIM and the subsidiaries Telecom Italia Sparkle and Telsy. Amongst others, the measures concern corporate and organizational governance; in particular, the obligation is imposed to ensure the presence on the respective Boards of Directors of a Security Chief Executive Officer – currently coinciding with the Chief Executive Officer – (who has Italian citizenship and security authorization), as well as the establishment of a Security Organization unit. The latter, directed by the Security Officer, is responsible for activities relevant to national security and is involved in all decision-making processes relating to strategic activities and the network.

With a ruling on November 2, 2017, the Prime Minister's Office also exercised the special powers provided for in article 2 of the Legislative Decree no. 21/2012, through the imposition on TIM of further requirements and conditions with the aim of assuring suitable development plans, able to guarantee a continuity of supply of the universal service.

In case of non-compliance or violation of the provisions and conditions imposed by the two Prime Ministerial Decrees of 2017, the application of the sanctions referred to in Legislative Decree no. 21/2012 mentioned above.

The government's ruling has subsequently evolved through Decree Law no. 21/2022 (Urgent measures to combat the economic and humanitarian effects of the Ukraine crisis), converted with amendments by Italian Law no. 51/2022, which introduced new features regarding both corporate management and 5G technology-based communication services.

As regards the latter issue, by this Decree, the legislator renewed the close attention paid to 5G, insofar as an activity of strategic importance for defense and national security, extending the scope of reference from the non-EU supplies taken as reference by the previous Law no. 41 of 2019 to include any supply relating to 5G, regardless of the geographic location in which the supplier is based, and redefined the State's special powers.

More specifically, the Decree made it mandatory for companies to preventively notify the Presidency of the Council of Ministers an Annual Purchasing Plan of goods and services in 5G technology, with the possibility of making four-monthly updates.

The Plan is subject to approval by the government, which may potentially also lay down conditions or requirements; failure to notify results in a sanction being applied to the company in the amount of up to 3% of its turnover.

In relation to the annual plans presented by TIM in July 2022 and May 2023, the Presidency of the Council of Ministers exercised the special powers provided for by the Art. 1-bis of Legislative Decree 21/2012, through the imposition of specific requirements in order to protect the essential interests of defense and national security.

The 5G 2024 plan submitted to the Authority in August was approved without prescriptions on September 27, 2024.

National Cyber Security Perimeter

The framework of provisions regarding National Security has flanked the Golden Power regulations with those relating to the National Cyber Security Perimeter (PSNC), established by Law no. 133/2019, converting Decree Law no. 105/2019.

The regulations in this area are hinged on three elements, governed by the subsequent implementing decrees, which constitute the same number of obligations for TIM, as strategic operator: the adoption of security measures aimed at guaranteeing high security levels for ICT assets, the secure award of ICT supplies and the notification of security incidents.

Compliance with the obligations laid down by regulations governing the PSNC means, for TIM, an impact in organizational terms and as regards operative processes, in line with the restrictions aiming to guarantee a high level of security of networks, information systems and the computer services of public administrations, public and private operators and entities based in Italy, in consideration of the fact that such elements are responsible for the performance of a service that is essential for the maintenance of civil, social or economic activities, fundamental for the interests of the State and the malfunctioning, interruption, even partial, or improper use of which could damage national security.

Failure to comply with regulatory obligations in the PSNC area for TIM entails administrative sanctions that can reach up to 1.8 million euros. Furthermore, the use of products and services in the absence of the required communications to the relevant authorities, or of passing the tests or in violation of the established conditions may lead to the application of the additional administrative sanction of inability to assume management, administration and control roles. in legal entities and businesses, for a period of three years starting from the date of discovery of the violation. Finally, anyone providing information, data or elements of fact that are not true, in order to hinder or impact procedures and inspections and supervision, shall be punished by imprisonment from one to three years.

MAIN CHANGES IN THE REGULATORY FRAMEWORK

Domestic

Below are the main updates to the domestic regulatory context that occurred during the first half of 2025.

With regard to antitrust proceedings, please refer to the Note "Disputes and pending legal actions, other information, commitments and guarantees" to the Half-Year Condensed Consolidated Financial Statements of the TIM Group at June 30, 2025.

European regulations

2030 Policy Programme "Path to the Digital Decade"

In the context of Decision (EU) 2022/2481 establishing the Digital Decade Policy Programme 2030 and redefining the digital goals of the Digital Compass, the Commission approved its latest "Report on the state of the Digital Decade" on September 23, 2024. In this annual report, the Commission evaluates progress and the roadmap for Member States, as well as recommending actions and identifying the expected EU-wide trends in the digital objectives.

Single Market Strategy

The new single market strategy is the European Commission's plan to make the single market simpler, seamless and strong – unlocking its full potential for citizens, workers and businesses. It focuses on removing the most harmful barriers, reducing red tape, promoting investment and ensuring fair competition.

The single market has already raised EU GDP by 3–4% and created 3.6 million jobs. Completing it could double these gains.

The strategy is based on 7 pillars:

- Removing the most harmful barriers (tackling outdated rules, setting standards and harmonising inconsistent regulations).
- a new approach for services, with particular reference to cross-border services, which will be regulated alongside the EU's horizontal services rules;
- supporting SMEs and mid-caps with the aim of helping them scale up across borders;
- simplifying and digitalising (measures include improving the single digital gateway and expanding the use of the digital product passport);
- smarter governance and stronger enforcement (measures include asking each country to appoint a "*Sherpa*" to coordinate national efforts);
- aligning investments and reform, by promoting stronger links between EU funding and single market reforms;
- shielding businesses from unfair practices, by ensuring a high level of consumer protection and using trade defence tools.

European Accessibility Act (EAA)

In June 2025, the first obligations came into effect concerning the implementation of Directive (EU) 2019/882 on accessibility requirements for products and services (European Accessibility Act - EAA), which has already been transposed in Italy by Legislative Decree no. 82 of May 27, 2022.

This act protects people with disabilities, such as hearing impairments, by imposing certain obligations on service providers (e.g. real-time text for customer care and emergency services).

AI Continent Action Plan

In April, the European Commission published its AI Continent Action Plan, a strategic policy document to strengthen the European Union's AI innovation capabilities, with a focus on creating a "European" Cloud and an internal market for data.

The five key pillars of the Commission's plan are as follows:

- Building a large-scale AI computing infrastructure, including initiatives to set up AU factories and proposing a Cloud and AI Development Act with the goal of tripling the EU's data centre capacity within the next five to seven years, prioritising sustainable data centres;
- Increasing access to large, high-quality data by creating data labs;
- Promoting AI in strategic sectors through the launch of the "*Apply AI*" strategy;
- Strengthening AI skills and talents;
- Simplifying regulation, which will include the AI Act Service Desk.

Artificial Intelligence

In February 2025, the rules banning unacceptable-risk AI systems under the European Union's Artificial Intelligence Act (AI Act) came into operation. The AI Act came into force on 2 August 2024

and classifies different types of artificial intelligence according to risk. The EU has banned AI systems considered to carry an unacceptable risk (such as cognitive-behavioral manipulation, social scoring and profiling-based predictive policing) and systems that use biometric data to classify people according to specific categories such as ethnicity, religion and sexual orientation.

Fines for infringements to the AI Act are set at up to 7% of the offending company's global annual turnover.

Digital Operational Resilience Act (DORA)

In January 2025, EU Regulation 2022/2554 (DORA) entered into application. Targeted at the financial sector, DORA imposes security, operational resilience and monitoring obligations on third-party ICT service providers as well as requiring registration with the competent authorities, risk assessments and the possibility of direct supervision by European authorities if deemed critical.

Digital Networks Act and revision of the Telecommunications Code

In the first quarter of 2025, following the publication of its White Paper "How to master Europe's digital Infrastructure needs?", the European Commission launched a call for evidence and impact assessment process regarding the adoption of a "Digital Networks Act" – a legislative proposal to redefine the DNA of TLC regulation in the EU – and the revision of the European Telecommunications Code. The initiative is scheduled for the fourth quarter of 2025.

State Aid

Clean Industrial Deal State Aid Framework (CISAF)

On June 25, 2025 the European Commission adopted a new State aid framework to easily support the development of clean energy, industrial decarbonisation and clean technology. CISAF applies as of 25 June 2025, and remains in force until 31 December 2030. It contains provisions for the following types of aid measures:

- Measures accelerating the rollout of clean energy;
- Measures providing support for electricity costs for energy-intensive users;
- Measures facilitating industrial decarbonisation;
- Measures ensuring sufficient manufacturing capacity in clean technologies; and
- Measures to de-risk private investments.

Sustainability

Omnibus – Corporate Sustainability Reporting Directive (CSRD) – "stop the clock" proposal

Directive (EU) 2022/2464 amends several previous directives (2013/34/EU, 2004/109/EC, 2006/43/EC, 2014/537/EU) as regards corporate sustainability reporting to ensure that European companies actively contribute to sustainability through increased transparency and by reporting their environmental, social and governance activities and impacts. CSRD applies to large enterprises (public interest and non-public interest), listed SMEs and subsidiaries of non-EU companies with annual net sales of at least 150 million euros in the EU.

On April 3, 2025, the "Stop the Clock" Directive was published in the Official Journal of the European Union on April 16 and came into force on April 17. Member States have until December 31, 2025 to transpose the Directive.. The "Stop the Clock" mechanism:

- postpones by two years (from 2027 to 2029) the entry into application of the reporting obligations under the CSRD for large companies that have not yet started reporting in 2025, as well as listed SMEs;
- postpones by one year the transposition deadline for Member States (to July 26, 2027) and the entry into application of CSDDD obligations for the first categoris of companies (from 2027 to 2028).

The Omnibus Package also contains another Directive focusing on CSRD requirements and standards, which is currently in consultation.

Wholesale fixed-line markets

Fixed network access market analysis

On April 30, 2024, AGCOM issued its final decision (resolution no. 114/24/CONS) concerning the coordinated analysis of access markets. The measure introduces some important changes to the regulatory framework for accessing fixed networks, which will entail a major overhaul of the regulatory framework.

First, in order to promote migration to new technologies, the obligations to provide legacy bitstream and WLR services (over the copper network) have been repealed. NetCo may ultimately continue to provide these services, but only on a voluntary basis and on commercial terms.

The obligations to provide FTTC and FTTH bitstream services were also repealed in light of the effective competitiveness of transport networks and bandwidth.

In this sense, regulating access has been focused on services for primary and secondary access networks: (SLU, ULL, Semi-GPON, Full-GPON, VULA FTTC and VULA FTTH). This is in light of the anticipated rise in prices for copper network services and FTTC from 2025 onwards, as well as the significant investments made by TIM and then planned by FiberCop.

Charges (euros/month)	2023	2024	2025	2026	2027	2028
LLU	9.91	9.91	10.03	10.28	10.66	11.16
SLU	5.89	5.89	6.09	6.49	7.10	7.90
VULA-FTTC	13.07	13.07	13.18	13.00	13.74	14.18
VULA-H GPON	14.26	14.24	14.23	14.21	14.19	14.18
VULA-H XGS-PON	16.75	16.60	16.46	16.31	16.17	16.02

In addition, since other operators have also developed FTTH networks, geographic deregulation has been introduced in some areas of Italy (areas accounting for around 15% of connected properties nationwide).

Specifically, in 14 towns and cities including Milan and Cagliari, (around 4.1% of connected properties nationwide), TIM and – since July 1, 2024 – FiberCop is no longer an operator with Significant Market Power (SPM), meaning that their regulated pricing obligations no longer apply. Furthermore, another 95 towns and cities (around 10.5% of connected properties nationwide) are defined as "contestable", meaning that sufficient competition has been identified for the "cost orientation" pricing obligation affecting VULA FTTC, VULA FTTH and Semi-VULA services to no longer apply. As a result, these services can be offered in "contestable" municipalities under commercial policies that are independently drawn up by FiberCop, albeit in accordance with principles of "fairness and reasonableness".

Nevertheless, this principle of fair and reasonable prices will apply nationwide for passive services over the FTTH network (Semi-GPON and Full-GPON).

Finally, the Authority has simplified the rules for the decommissioning of FiberCop's copper-network legacy services. Specifically, it has reduced the period for the closure of "bypass" exchanges that are to be incorporated into larger exchanges to just 18/24 months (made up of a total notice period of 6/12 months plus a migration period of 12 months). As part of this scheme, access network exchanges will fall in number from around 10,500 to approximately 3,800).

Infratel Tenders for the subsidizing of Ultrabroadband networks

5G mobility plan: Milan - Cortina 2026 tunnel coverage

Among the actions included in the 5G Coverage Strategy is an action to ensure continuity of 5G services along the main road links between Olympic Games venues at "Milan - Cortina 2026".

On January 14, 2024, Infratel launched a consultation ending February 20, 2024, (in which TIM participated) into providing 5G coverage to the tunnels situated along the main roads connecting the venues of the "Milan - Cortina 2026" Olympics Games. This was to be achieved by putting in place a multi-operator mobile radio infrastructure and implementing fiber-optic backhauling, where necessary.

It is planned to implement a gap-funding incentivization scheme will, with public grants provided to economic operators that will be selected through public procedures. The grants will cover up to 90% of the expenses incurred to deploy network infrastructure; these grants must be made available to market participants on a wholesale basis, and on fair and non-discriminatory terms.

In December 2024, Infratel Italia entered into three major agreements aimed at strengthening digital infrastructure and strategic connectivity networks. These agreements – signed with the Italian Prime Minister's Office, the Department for Digital Transformation, the Italian Development Agency (Invitalia) and the Ministry of Business and Made in Italy – represent a decisive step in the implementation of the National Recovery and Resilience Plan (NRRP) and in the preparation for the Milan-Cortina 2026 Winter Olympics.

The agreements related to:

- **Strengthening backhaul networks and mobile connectivity for the Milan-Cortina 2026 Winter Olympics**

  This agreement foresees a total investment of 107 million euros, earmarked for strengthening backhaul networks (95 million euros) and mobile connectivity in the road tunnels affected by Olympic events (12 million euros). It aims to ensure fast and reliable network coverage that will support the event's technological needs and improve telecommunications infrastructure.

- **Second intervention for small islands and health care**

  26 million euros in funding will be used to boost the connectivity of small islands (8 million) and of health facilities that will be involved in Olympic events (18 million euros). This intervention aims to reduce the digital gap in remote territories and to support a modern and efficient healthcare network.

  Public consultations are set to be published on the development plans that are to be funded: a necessary step before calls for tenders are published.

On June 27, 2025, AGCOM launched a public consultation on supplementing the Guidelines under Resolution No. 67/22/CONS for the purpose of setting the conditions for wholesale access to the ultra-wideband networks receiving public grants as pat of the plan to strengthen mobile connectivity for Milan-Cortina 2026 Winter Olympics events.

Wholesale mobile network markets

Mobile termination market analysis

On January 22, 2019, AGCOM published its final decision on mobile network termination market analysis (resolution no. 599/18/CONS). In particular, AGCOM established symmetric tariffs for all MNO and full MVNO operators for the period 2018-2021 (0.98 euro cents in 2018, 0.90 euro cents in 2019, 0.76 euro cents in 2020, 0.67 euro cents in 2021) and confirmed the absence of an obligation to check the termination prices for calls originating outside the European Economic Area (EEA); however, SMP operators cannot adopt termination rates that are higher than those applied to Italian operators by operators in non-EEA countries where rates are regulated.

In accordance with Delegated Regulation (EU) 2021/654 of the European Commission, a progressive reduction was made in mobile termination prices in three years, so as to allow for a gradual transition towards the target price of 0.2 cents/min. in 2024: 0.67 cents/min until end 2021, 0.55 cents/min in 2022 and 0.4 cents/min in 2023.

Under certain conditions, which should in principle guarantee price reciprocity, these caps also apply to the termination of calls originating outside the EU.

Retail fixed-line markets

Universal Service

Net cost

Following ruling no. 4616/2015, published on October 2, 2015, in which the Council of State canceled decision no. 1/08/CIR of AGCOM on the retroactive application of the new methodological criteria for calculating the net cost of the universal service (USO) relating to the 2004-2007 years, the Authority began the public consultation of the net cost of the total years 2004-2007 with resolution 89/18/CIR, published on July 3, 2018, and subsequent resolution no. 62/19/CIR, published on May 7, 2019.

On September 11, 2019, the Authority published the final resolution concerning the Net Cost of Use for 2004-2007 (resolution no. 103/19/CIR) in which it recognized the existence of an unfair charge for TIM of a total of 113.4 million euros to be shared between all fixed-line and mobile operators. The share payable by the OAOs amounts to approximately 26.6 million euros, calculated net of installments already paid by the same operators, following the 2004 and 2005 procedures approved "*illo tempore*". In relation to past disputes, following ruling no. 3388/15 of the Council of State, published on July 7, 2015, on September 11, 2019, the Authority launched the public consultation procedure (resolution no. 102/19/CIR) for an in-depth fixed-mobile substitutability analysis, in line with the path outlined for the 2004-2007 years. In this context, ruling no. 6881 of October 8, 2019, in which the Council of State authorized the return of the shares paid by Vodafone to TIM, for the contested years (1999-2000 and 2002-2003). In light of the above-mentioned Council of State ruling, which completely reversed the Lazio TAR rulings no. 6458, 6459, 6461 and 6463 of May 23, 2018, in execution of which the public consultation pursuant to resolution no. 102/19/CIR was started, the Authority revoked the aforementioned resolution with decision 190/19/CIR.

On July 21, 2020, AGCOM launched the public consultation relating to the review of the inequity of the net cost of the universal service 1999-2009. The extension of the time period subject to renewal until 2009 was necessary following the ruling no. 2542/2020 with which the TAR accepted Vodafone's appeal, in terms of fixed-mobile substitutability. The opinions on the years 2004-2007, renewed by AGCOM with resolution 103/19/CIR, and on which the TAR has not yet expressed an opinion also hang on the same issue. In compliance with judgment 6881 passed by the Council of State, in its Resolution 263/20/CIR, the Authority defined a new approach to demonstrate the lawfulness of the participation of mobile operators at the net USO cost for the years in question. AGCOM's view expressed in the consultation is to recognize prima *facie* the unfairness of the charge for the years 2002-2009. For the previous years 1999-2000, however, the Authority did not recognize the existence of an unfair charge for TIM.

On March 29, 2021, with the publication of resolution no. 18/21/CIR, AGCOM confirmed the obligation of mobile operators to participate in the USO contribution mechanism for the years 2001-2009. Following a challenge of the resolution by Wind and Vodafone, the Ministry of Economic Development suspended the obligation for operators to make payment.

On February 17, 2022, the regional administrative court canceled resolution no. 18/21/CIR, upholding just one of the grounds for appeal submitted by the OAOs challenging the threshold parameter related to the unfairness of the expense (2nd *facie*) with regards to the economic and financial impacts on the appointed party. Instead, the additional grounds for appeal of the OAOs were rejected by the court.

AGCOM published resolution no. on June 27, 2022. 1/22/CIR with which the deadlines established by resolution no. are suspended. 92/21/CIR, already extended by resolution no. 58/22/CONS and resolution no. 143/22/CONS. Also in light of the development of the judgment on resolution no. 18/21/CIR, the conditions envisaged by the law and by the AGCOM regulations on administrative procedures for the suspension of the aforementioned procedure do not appear to exist, which could and should be reactivated by the Authority at least for the purpose of calculating the value of the unfair cost, expecting the outcome of the pending disputes solely for the distribution of the relevant shares among the operators.

The Council of State with collegial ordinance no. 3885/2023, published on April 18, 2023, referred the preliminary questions relating to the participation of Mobile Operators in the contribution to the USO Fund to the EU Court of Justice, suspending any other judgment in this regard.

The EU Court of Justice, in a judgment published on September 19, 2024 ruled that: (i) proof of a certain degree of fixed/mobile substitutability is not required for mobile operators to participate in the unfair burden sharing mechanism; (ii) it is up to Member States to establish the criteria for assessing burden unfairness.

Following the resumption of proceedings, the Council of State handed down judgments on May 20 and 26, 2025, rejecting all the main and incidental grounds of appeal raised by the OAOs, with the exception of the ground brought by Vodafone in which it contested the manner of the *seconda-facie* unfairness analysis and, in greater detail, the unfairness threshold value identified by AGCOM.

Inflation-indexed offers

Resolution no. 307/23/CONS also regulates contracts with provisions for the adjustment of prices by inflation.

According to AGCOM, indexed offers are legal and in the event of an adjustment the customer does not have the right to withdraw without costs. In order to apply the indexing clauses, however, it is necessary to acquire the customer's express consent (opt-in).

The contracts may not provide for any corrective measures with respect to the full application of the public adjustment index, including the application of thresholds with respect to the index or added mark-ups or minimum increases during the contractual period.

The first indexation cannot take place before 12 months have passed from the signing of the contract.

In the event of a price change of more than 5%, the customer must be able to switch to an equivalent non-indexed offer.

The contractual conditions must provide that the operator has the right to increase the tariffs by an amount corresponding to the increase in the annual consumer price index and is, at the same time, obliged to pass on the reductions in this index by decreasing the tariffs by an amount corresponding to the reduction.

The clauses introduced so far in existing contracts are void if the customer does not "accept" them ex post.

The reference index used to adapt the contracts is the National Consumer Price Index for families of blue collars and white collars (FOI). Finally, commercial communication must observe stringent transparency requirements on the economic effects of indexation.

Retail mobile network markets

Tariff transparency - AGCOM Resolution 106/25/CONS

In Resolution 106/25/CONS, which enters into operation on November 24, 2025, the Italian Telecommunications Authority has defined the new framework of rules on end-user transparency obligations.

The new regulation introduces important changes in the area of communications promoting 5G offers, which will have to have different coloured stickers according to the level of performance it guarantees users, as well as communications promoting Reserved offers, which must be accompanied by specific tariff transparency sheets in the same way as general offers.

Wild teleselling and CLI spoofing

Following a public consultation (Resolution 457/24/CONS) and the outcomes of the AGCOM technical round table among operators, Resolution 106/25/CONS was issued defining certain mandatory anti-CLI spoofing measures targeted at calls from abroad that use a Italian CLI.

The resolution requires international carriers authorised in Italy (e.g. Sparkle) to implement 3 types of blocking for calls from abroad:

- blocking of Italian CLIs (+39) in formats inconsistent with ITU-T E.164, including no CLI and CLIs associated with non-geographic Italian numbers;
- blocking of Italian CLIs corresponding to fixed-line numbers (ten-digit "0" numbers);
- blocking of Italian CLIs corresponding to mobile numbers (ten-digit "3" numbers) if the mobile customer with whom the number used as a CLI is associated is not roaming abroad.

Blocking types 1 and 2 apply to international carriers only (not implemented by TIM, but only by Sparkle) and are to be implemented by August 2025. Blocking type 3 requires implementation by international carriers and mobile operators, including TIM, by November 2025 at the latest..

Customer service

The Communications Guarantee Authority, in Resolution no. 255/24/CONS of July 10, 2024, after a lengthy preliminary process, established the new regulatory framework for rendering customer services in the electronic communications sector and the audiovisual sector in the provision of live pay services for high-interest public events (as per art. 33, para. 3 and 4, of the Consolidated Law on Audiovisual Media Services (TUSMA)).

The new framework underlines that the service should be provided through a telephone service and also recommends digital assistance.

The provisions of the Regulation enter into force on August 8, 2025. Specifically, Resolution 255/24/CONS establishes the following provisions:

- free customer assistance services, confirming the current regulatory framework;
- telephone customer assistance services with a human operator should be provided for electronic communications services, at least on weekdays between 8:30 a.m. and 9:30 p.m. (until 7:30 p.m. for business customer service numbers);
- the IVR tree options for talking to an operator should be clear, transparent and understandable, enabling the user to get assistance from an operator and to file a complaint in the shortest possible time;

- for telephone support services, customers should have a dedicated option available to file a complaint at the first level of the IVR tree;
- the time limit for resolving complaints, from the date of receipt, should not exceed thirty days (the time limit was reduced from 45 to 30 days);
- the customer should have the right to make a complaint through the telephone channel, registered letter and digitally, if the operator makes this mode available to the customer;
- the operator should give the customer a complaint identification code after receiving the complaint.

The resolution also adopts new quality indicators for telephone customer service, digital customer service, and complaint handling, which will become operational on August 8, 2025.

Quality of mobile and personal services

By resolution no. 23/23/CONS, AGCOM updated the regulation governing quality and mobile and personal service charters and the regulation of the campaigns for measuring quality of the Broadband data service. The new resolution, amongst others:

- incorporates certain measures envisaged by Regulation (EU) no. 2015/2120 and the related BEREC guidelines on the access to open Internet and, in particular, the obligation to indicate, in the contracts offered by mobile operators, the estimated maximum speed and the publicized speed in both download and upload;
- introduces the obligation to include maps of coverage for the various technologies on operator websites, with a covered pixel granularity of no more than 100 m^2.

Quality of fixed telephony services

With resolution no. 156/23/CONS of July 31, 2023 AGCOM introduced a new directive on the subject of "quality and charters of electronic communications services from fixed locations", merging the two previous directives on "quality and charters of fixed telephony services" (pursuant to resolutions nos. 254/04/CSP, 131/06/CSP and 244/08/CSP, which are simultaneously abrogated as of June 29, 2024, which is the deadline for implementing the measures required under resolution no. 156/23/CONS).

The new regulation provides that:

- all provisions of the new directive (including those involving contractual obligations) also apply to FWA lines;
- Schedules showing the technical characteristics of the bids must also include (in addition to “minimum speeds” in download and upload, “maximum connection delay” and “maximum packet loss rate”) “maximum speeds” and “normally available speeds” in download and upload;
- in the event of failure by the operator to comply with even just one of the service quality level values, the new directive provides that the customer can terminate the line without any charge (a provision already existing and which is confirmed), or that he can request the contractually foreseen compensation or start a procedure via the ConciliaWeb platform.

New TUSMA (Consolidated Law on Audiovisual Media Services) - Events of social interest or significant public interest: Quality of Experience indicators for users of live video streaming platforms; Compensation; Complaint handling procedures; Technical support tools

The Ministry of Economic Development’s decree of May 27, 2022 (pursuant to Article 33(3) of the Consolidated Law on Audiovisual Media Services (TUSMA)) listed several events of social interest or significant public interest (to be broadcast to the Italian general public, either live or deferred-live, on terrestrial or pay TV) for which providers must guarantee users adequate standards of reliability, service continuity and image quality, as set out by AGCOM.

In relation to these events, the Authority – in resolution no. 74/24/CONS and in agreement with the Ministry pursuant to Article 33(4) of TUSMA – defined:

- Quality of Experience (QoE) indicators for users of live video streaming platforms and related compensation; and
- appropriate procedures for handling user complaints, claims and reports, as well as technical assistance tools.

In the belief that sporting events, such as domestic league soccer matches, make up the majority of events of public interest, AGCOM referred used its resolutions concerning the DAZN proceedings as its framework for reference.

The measures in the above Resolution are to be gradually implemented by October 16, 2025.

New TUSMA (Consolidated Law on Audiovisual Media Services) – Events of general interest – Prominence of services of general interest

In Resolution 390/24/CONS, the Authority issued specific Guidelines defining the criteria for an audiovisual or radio media service to qualify as a service of general interest as well as how such services should be presented on user interfaces. AGCOM has provided that these rules will not apply to the TIMVISION service. Through Resolution 110/25/CONS, AGCOM initiated a public consultation on the revision of the aforementioned Guidelines. The procedure is still ongoing.

New TUSMA – Access to logical channel numbers on DTT

All equipment suitable for receiving digital terrestrial television signal, even if enabled for internet connection, must have the logical channel numbering (LCN) system installed for digital terrestrial television. Such a system must be easily accessible. In resolution no. 294/23/CONS, the Authority approved the "Regulations on access to logical channel numbers on digital terrestrial television". DTT-enabled devices that are placed on the market after June 6, 2025 (i.e., 18 months after the Regulations are published on December 6, 2023) must abide by the following constraints:

- at least one of the remote controls (supplied with the device) must be equipped with numerical keys that allow access to digital terrestrial television channels. Any additionally provided remote control that does not include numerical buttons should include a button that allows the user to access video source selection;
- numerical keys providing access to DTT channels must be enabled, and therefore usable by the user, from any environment, service, feature or application being used by the user at the time the key is typed. Furthermore, under these Regulations, the image or wording on the box or icon that provides access to digital terrestrial television channels must be identical on all devices and user interfaces. To set out ways of implementing this provision, the Authority established a special Technical Round Table, in which TIM also participated as the provider of the TIMVISION service (and TIMBOX). In July 2024, Resolution no. 259/24/CONS was published, in which the Authority regulated the definition of the icon for accessing digital terrestrial television channels. These measures came into force on June 7, 2025.

New TUSMA - Regulations to protect pluralism

In Resolution 6/24/CONS, the Authority adopted guidelines for defining the specific methodology to be used to verify the existence of positions of significant market power harmful to media pluralism referred to in Article 51, paragraph 5 of the Consolidated Law on Audiovisual Media Services (TUSMA) and for the adoption of appropriate remedies.

New TUSMA – Introduction of obligations for the scheduling of and investment in European works

With Legislative Decree no. 50/2024 of March 25, 2024, provisions were approved to supplement and correct the Consolidated Law on Audiovisual Media Services (TUSMA) in view of changing market realities, in implementation of Directive (EU) 2018/1808 amending Directive 2010/13/EU (also known as the "TUSMA Corrective Decree").

As regards the obligations of suppliers of on-demand audiovisual media services (TIMVISION), as part of the corrective measures introduced, we specifically highlight:

- **obligations to invest in EU audiovisual works produced by independent producers**: The decree introduced a reduction from 20% to 16%;
- **programming obligations for EU audiovisual works**. The current regulatory framework remains unchanged, maintaining a 30% obligation and reference to recent works (last 5 years). The AGCOM must set out how the programming obligations are to be fulfilled in a Regulation. These obligations do not apply to media service providers with modest turnover or audience numbers, according to the threshold criteria contained in the regulation (5 million euros);
- **Italian sub-quota**: a 70% share of the percentage required for investment and programming obligations respectively is reserved for original works of Italian content produced anywhere in the past 5 years by independent producers, of which 27% is reserved for cinematographic works;
- **the elimination of secondary regulation** for the identification of additional sub-quotas of investment in audiovisual works of original Italian expression by independent producers, as well as for the time limitation of the rights of use and exploitation of the works and for the ways in which they are exploited on different platforms;
- the **sanctioning system** remains unchanged.

By means of Resolution 70/25/CONS, the new provisions contained Legislative Decree no. 50/2024 were transposed into AGCOM's Regulation on the obligations for the programming of and investment in European works.

Authority fees

AGCOM contribution fee

On January 9, 2024, AGCOM issued resolutions no. 276/23/CONS, 277/23/CONS, 281/23/CONS and 282/23/CONS relating to the payment of the AGCOM contribution fee for the year 2024 (calculated on the 2022 financial statements figures). For the year 2024, the rate was 1.40 per thousand for the electronic communications market, 2.00 per thousand for media services and digital content, and 0.30 per thousand for activities to prevent and suppress the illegal broadcasting of content.

On September 4, 2024, AGCom issued resolution no. 270/24/CONS on the payment of the AGCom contribution fee for operating costs related to digital services coordination with a rate of 0.135 per thousand (calculated on the 2022 financial statements figures).

TIM paid a total of around 14.5 million euros under reserve.

Privacy and personal data protection

General Data Protection Regulation (GDPR), Privacy Code and further applicable legislation on the matter

TIM has had a structured operating model in place since 2003 to ensure the correct application of Regulation (EU) no. 2016/679 at Group level (so-called "General Data Protection Regulation" or GDPR for short), of Legislative Decree June 30, 2003, no. 196 (so-called Privacy Code) and the further applicable legislation regarding the protection of personal data.

In 2023, the revamped Corporate Privacy Operating Model entered into operation in accordance with the principle of privacy-by-design, with a number of improvement activities implemented, including in particular:

- the execution of a new mapping of personal data processing activities in conjunction with company operational processes with the definition of a new methodology for assessing the privacy risk associated with each processing;
- the review of the processing management process and updating of the records of processing activities;
- the introduction of new IT tools, including the one for the management of the Information provided to the different stakeholder types (e.g. customers, employees, visitors) and the one for the management of the aforementioned Registers, which allow the digitization and integration of the information managed.

In 2024, all activities pertaining to the management of the Privacy Operating Model were duly performed, with the processing register periodically updated to take into account new activities/projects of significance to the year's organizational development. In this latter respect, all activities for managing the complex aspects of personal data processing (both with reference to data subjects and IT systems) were carried out with a view to the sale of the transfer of the "NetCo" business unit, which was completed on July 1, 2024; this business unit was merged into FiberCop S.p.A., which exited the TIM Group on the same date.

There were no legislative changes in the area of personal data protection during 2024.

However, mention should be made of Decision no. 364 of June 6, 2024, in which the Privacy Watchdog gave its final approval to the Code of Conduct for *telemarketing* and *teleselling* activities. This Code of Conduct came into operation on October 28, 2024, after the Monitoring Body had validated it and laid down the procedure for adhering to the Code. This Code of Conduct is targeted at entities engaged in telemarketing or teleselling activities, either as a principal (e.g. TIM, as the Data Controller) or as a provider of direct or ancillary services (as the Data Processor, including call centers and agencies). Adhering to the Code of Conduct is optional, but it is an important accountability tool suitable for demonstrating compliance with the relevant regulations. TIM has already sent its expression of interest in joining the Code of Conduct to the Oversight Body.

The Privacy Function is responsible for studying regulations (including the provisions of the Data Protection Authority), informing the Group's Corporate Functions/Companies and ensuring that the relevant *policies* and guidelines are issued and updated. In this latter respect, the most important policy is the "System of rules for the application of legislation on personal data protection in the TIM Group", which is the set of operating rules and regulations governing personal data processing in accordance with the provisions of applicable law and regulations, defined specifically for the TIM Group, is kept constantly up-to-date and is available on the corporate intranet.

The Privacy Function also provides expert advice and support to the Group's Corporate Functions/Companies on the proper handling of personal data in business processes in accordance with internal *policies/procedures*.

Finally, TIM's Privacy Department schedules specific training plans on a needs basis to raise awareness in the various company departments and illustrate the policies and procedures issued for applying the legislation on personal data processing.

Spectrum

Between July and September 2025 (following the similar previous consultation carried out between July and September 2024 - Resolution 247/24/CONS), AGCOM put out for consultation (Resolution 154/25/CONS) some proposals on regulatory measures concerning the allocation of radio frequencies for terrestrial electronic communications systems whose rights of use expire on December 31, 2029 (800MHz, 900MHz, 1400MHz, 1800MHz, 2100MHz, 2600MHz, 3.4-3.6 GHz, 28GHz). TIM holds blocks of frequencies in all bands affected by the expiry of the rights of use covered by the consultation, with the exception of the 28GHz band for which the rights of use have been transferred to FiberCop.

The two (alternate) proposals from AGCOM are to:

- extend or renew approximately 85% of expiring frequencies and putting 15% of them out to tender;
- renew all expiring frequencies.

Under both solutions, payment will be required for frequency renewals or extensions and new obligations will be introduced in terms of coverage or service levels.

During the prior public consultation held in 2024, TIM and some other leading mobile operators argued that the solution for ensuring market sustainability and the development of networks and services was to extend or renew all rights of use under terms exclusively geared towards undertakings to invest in infrastructure, services, coverage and quality of service, rather than involving right of use payments.

Public telephony

Following the transposition of EU Directive 2018/1972, which leaves the individual Member State the possibility of removing or confirming the obligations in force, the Electronic Communications Code no longer includes public telephony among the services subject to the Universal Service obligation, but refers the matter to a subsequent evaluation.

With Resolution 98/23/CONS of April 19, 2023, the Authority concluded its analysis by recognizing the lack of Universal Service requirements for roadside booths and therefore repealing the related supply obligation on TIM. The booths, therefore, can be removed after verifying the existence of adequate mobile coverage by all operators. In these cases, TIM can proceed after posting a specific sign at least 30 days before the scheduled date for decommissioning the system.

For public booths located in places of social importance (hospitals with at least 10 beds; prisons; barracks, with at least 50 permanent occupants, in which mobile phone signals are jammed), AGCOM confirms, however, the Universal Service obligation. However, the Authority recognizes the need to be able to overcome the traditional conception of the Universal Service for these specific cases and establishes the launch of "a technical table with the aim of defining the new supply technologies and cost management methods burden on the caller of the public telephone service in order to allow the technological upgrade of the fiber optic network".

Golden Power

The Prime Minister established that the Company is subject to the obligations pursuant to Legislative Decree no. 21/2012 (the "Golden Power Decree", setting out special powers rules) on September 28, 2017, as a business that:

- carries out "activities of strategic importance for the defense and national security system" (as per article 1 of the Decree Law) and
- possesses networks and systems "necessary to ensure the minimum supply and operation of essential public services" and goods and relationships "of strategic importance for the national interest" in the communications sector (as per article 2 of the same Decree Law).

The regulatory architecture relating to TIM, consequently, involved a first phase in 2017 on the issue of the Prime Ministerial Decrees of October 16 and November 2, 2017.

With the measure of October 16, 2017, the Presidency of the Council of Ministers exercised the special powers provided for in Article 1 of the Golden Power Decree by imposing specific requirements and conditions on TIM and its subsidiaries Telecom Italia Sparkle and Telsy, including, in particular, the obligation to ensure the presence on the respective Boards of Directors of a Security Chief Executive Officer – currently coinciding with the Chief Executive Officer – (who has Italian citizenship and security authorization), as well as the establishment of a Security Organization unit.

With a ruling on November 2, 2017, the Prime Minister's Office also exercised the special powers provided for in article 2 of the Golden Power Decree, through the imposition of further requirements and conditions with the aim of assuring suitable development plans, able to guarantee a continuity of supply of the Universal Service. Furthermore, with Prime Ministerial Decree of November 16, 2020, the Presidency of the Council of Ministers following the notification presented by TIM regarding the corporate operation concerning FiberCop S.p.A., exercised special powers through the imposition of specific provisions referring to the networks and systems included in the business unit transferred to FiberCop. With these provisions, the Government has requested the adoption of adequate development, investment and maintenance plans necessary to guarantee the continuity of the Universal Service.

The government's ruling has subsequently evolved through Decree Law no. 21/2022 (Urgent measures to combat the economic and humanitarian effects of the Ukraine crisis), converted with amendments by Italian Law no. 51/2022, which introduced new features regarding both corporate management and 5G technology-based communication services.

As regards the latter issue, by this Decree, the legislator renewed the close attention paid to 5G, insofar as an activity of strategic importance for defense and national security, extending the scope of reference from the non-EU supplies taken as reference by the previous Law no. 41/2019 to include any supply relating to 5G, regardless of the geographic location in which the supplier is based, and redefined the State's special powers. More specifically, the Decree made it mandatory for companies to preventively notify the Presidency of the Council of Ministers an Annual Purchasing Plan of goods and services in 5G technology, with the possibility of making four-monthly updates.

The Plan is subject to approval by the government, which may potentially also lay down conditions or requirements; failure to notify results in a sanction being applied to the company in the amount of up to 3% of its turnover.

With the closing of the sale of NetCo and the subsequent divestment of primary fixed access network wholesale activities and of TIM's investment in FiberCop, which took place on July 1, 2024, the measures contained in the Prime Ministerial Decree of November 16, 2020 are to be considered completed in light of the change to TIM's business perimeter.

National Cyber Security Perimeter

The framework of provisions regarding National Security has flanked the Golden Power regulations with those relating to the National Cyber Security Perimeter (PSNC), established by Law no. 133 of November 18, 2019, converting Decree Law 105/2019.

The regulations in this area are hinged on three elements, governed by the subsequent implementing decrees, which constitute the same number of obligations for TIM, as strategic operator: the adoption of security measures aimed at guaranteeing high security levels for ICT assets, the secure award of ICT supplies and the notification of security incidents.

Compliance with the obligations laid down by regulations governing the PSNC means, for TIM, an impact in organizational terms and as regards operative processes, in line with the restrictions aiming to guarantee a high level of security of networks, information systems and the computer services of public administrations, public and private operators and entities based in Italy, in consideration of the fact that such elements are responsible for the performance of a service that is essential for the maintenance of civil, social or economic activities, fundamental for the interests of the State and the malfunctioning, interruption, even partial, or improper use of which could damage national security.

TIM's failure to comply with regulatory obligations will result in administrative penalties of up to 1.8 million euros. Any repetition of the infringement may result in an increase of up to three times the prescribed penalty. In addition, the use of products and services without the necessary communication to the relevant Authorities or passing of tests or in breach of the conditions set forth may result in the application of the accessory administrative sanction of incapacity to hold appointments of management, administration and control in legal entities and companies, for a period of three years from the date on which the violation is ascertained. Finally, anyone providing information, data or elements of fact that are not true, in order to hinder or impact procedures and inspections and supervision, shall be punished by imprisonment from one to three years.

Network and Information System Directive (NIS2)

The new Directive 2022/2555 (NIS2), which replaces the current Directive 2016/1148 (NIS) came into force on January 16, 2023 and was transposed into national systems by October 17, 2024, entering into effect on October 18, 2024.

The NIS2 envisages an extension of the scope of application of these laws governing the security of networks and computer systems, including on the one hand, sectors currently covered by other rules, which are simultaneously abrogated (i.e. the security measures of electronic communication services and networks, currently included in the European Electronic Communications Code) and, on the other, extending the rules to new subjects (e.g. data centers, CDN, etc.).

The Directive maintains the obligation to adopt security measures that are commensurate to the risk, yet introduces a series of basic requirements, including security management of the procurement chain and reviews the mandatory notification procedures of IT incidents.

Sanctions in the event of breach can be as high as 2% of turnover.

The Directive also envisages the strengthening of the bodies and supervisory bodies on a Community level, with the aim of improving collaboration to fight the global IT threat, thanks to the sharing of experience by Member States.

Measures for digital facilitation, simplification and innovation

- **Budget Law 2025** (Law no. 207/2024) – Entry into force: **January 1, 2025**. Benefits were introduced to take advantage of the incentives under the **Transition 5.0 Plan** (a single instalment of up to 10 million euros, the possibility to combine the tax credit with other benefits, the simplification of procedures to calculating the reduction of energy consumption). The law also broadened the scope of the ***web tax***, which now applies to companies with revenues from digital services above 750 million euros, wherever those revenues are made.
- **"Milleproroghe" (Thousand Extensions) Decree-Law** (converted into law by Law no. 15/2025) – entry into force: **February 25, 2025**. This Decree-Law extended contracts for the Public Connectivity Service **(Servizio Pubblico di Connettività - SPC)**, a strategic infrastructure deployed for delivery of digital services by public administration, until December 31, 2025. The legislation ensures the operational continuity of public digital services and their evolution in line with the objectives of the National Recovery and Resilience Plan (NRRP).
- **"Utility Bills" Decree-Law** (converted into law by Law no. 60/2025): entry into force: **April 30, 2025**. hThis legislation extended the *fringe tax benefit* on mixed-use **company vehicles** until June 30, 2025, provided the vehicle was ordered up to December 31, 2024.
- **"Public Administration" Decree-Law** (converted into law by Law no. 69/2025) – entry into force: **May 14, 2025**. This legislation authorised the allocation of **389.2 million euros between 2026 and 2029** for the completion of the Italy-wide **Te.T.Ra** network for police forces so as to ensure secure communications and interoperability with LTE Public Safety technologies. In addition, the subsidies rule was also extended for large national strategic investment programs – e.g. **the creation of data centres** – (in excess of 1 billion).
- **"Public Security" Decree-Law** (converted into law by Law no. 80 /2025) – entry into force: **June 10, 2025**. This legislation removed the obligation for operators to demand a residence permit when activating SIM cards of non-EU customers, instead requiring only a passport or equivalent travel document or a valid identification document.
- **"Space Economy" Bill** (enacted as Law no. 89/2025) – entry into force: **June 25, 2025**. This legislation established a **35 million euro fund** for 2025 to support the innovation and development of national space activities. It also provides for a **national satellite transmission capacity reserve** through the use of satellites operated exclusively by EU or NATO entities.
- **"Infrastructure" Decree-Law** (Decree-Law no. 73/2025) – To be converted into law by: **July 20, 2025**. Parliament has passed legislation to grant **EUR 28 million** to Autostrade per lo Stato S.p.A. for 2025/27 to **strengthen the company's levels of safety, innovation** and **IT services**.
- **"Mountainous Areas" Bill**. Under debate in Parliament. **This bill will eliminate the charges** currently imposed on operators of mobile telephony and digital connection infrastructure for mobile and fixed coverage of the road and rail network. The bill has been approved in the lower house and is currently before the Senate for final approval.
- **Legislative Proposal on Call Centers**. Under debate in Parliament. This proposal aims to strengthen consumer and worker protection by introducing measures n the areas of **cost of labor** for call centre activities, call centre **rapid response**, combatting **aggressive *telemarketing*** and ***anti-spoofing***.
- **Legislative Proposal on Data Centers.** Under debate in Parliament. This proposal aims to form a comprehensive regulatory framework by simplifying the data center construction process.
- **Legislative Bill on Artificial Intelligence.** Under debate in Parliament. The obligation to install AI systems intended for public use on servers located in Italy has been removed.

Annual Market and Competition Law

Under debate in Parliament; should be approved by December 31. The text of this regulation currently contains only one provision directly affecting measures for technology transfer – i.e. the requirement for a three-year plan, drawn up by the Ministry of Enterprises and Made in Italy (MIMIT) and the Ministry of Education, University and Research (MIUR), to enhance research within companies.

Countering the illicit dissemination of content protected by copyright via electronic communications networks

Law no. 93/2023 ("Anti-Piracy Law") provides for the introduction of an automated technological platform for handling requests to hide illegal content, which will be able to block domains (IP/FQDN) used for unlawful purposes within 30 minutes. The platform has been officially active since February 1, 2024.

Decree-Law no. 113/2024, converted by Law 143/2024,**(**the **"Ominibus Decree-Law")** provides for:

- a tightening of the regulations for blocking illicit content (including extending it to IPs predominantly intended for illicit activities);
- the possibility for AGCom to **unblock IP addresses and DNS domain names;**
- **the introduction of criminal sanctions** for TLC operators that fail to report abusive access to computer systems.

At presents, these measures only apply to live sports content. In Resolution 47/25/CONS, the Authority initiated proceedings to extend the scope of content that can be blocked in 30 minutes (e.g. film premieres). The procedure is ongoing.

Brazil

Revision of the model for the supply of telecommunications services

Law no. 13,879/2019, in force since October 4, 2019, introduced the most significant regulatory reform in the Brazilian telecommunications sector in more than 20 years. It allows fixed-line concession contracts to be converted to an authorization scheme, subject to the approval of the ANATEL. In return, licensees must make a commitment to invest in expanding fixed Broadband and telephony services to underserved areas in order to reduce regional disparities.

The reform also modernised spectrum management by allowing multiple renewals of frequency authorisations and enabling spectrum trading between operators. Decree no. 10.402/2020 further detailed the procedures for this transition and established the criteria for calculating investment commitments. The decree also provided guidelines for extending spectrum licences, and improving regulatory predictability and investment security. Migration processes for primary licensees have been rolled out during the past two years, in continuous interaction with ANATEL and other authorities.

Public policies applicable to the telecommunications sector

Several public policies have been adopted to support infrastructure expansion and digital inclusion:

- Connectivity Plan (Decree no. 9,612/2018): promotes the expansion of transportation and access networks, particularly in underserved regions.
- Decree no. 10.799/2021: prioritizes broadband coverage in the vicinity of public schools and in unserved areas.
- Regulation of the Antenna Law (Decree no. 10,480/2020) facilitates network deployment by resolving infrastructure bottlenecks.
- FUST Reform (Law no. 14,173/2021): enables private sector access to FUST (Universalization of Telecommunications Services Fund) and offers fee reductions to operators that invest in universalization projects. Subsequent regulations (Decree no. 11,004/2022 and Resolution no. 02/2022) clarified the mechanisms for using and supervising funds.
- National Cyber Security Policy (Decree no. 11,856/2023): bolsters data *governance* and security *standards*. ANATEL currently has three key regulations under review: the General Competition Goals Plan (PGMC), the Radio Spectrum Usage Regulation (RUE) and the Rules on Access to User Hubs. These regulations should be finalized within the Agency's regulatory timescales.

In 2025, ANATEL approved the following updates to modernise the regulatory framework and promote efficient spectrum use:

- Resolution no. 772/2025: a new Frequency Allocation Plan;
- Resolution no. 773/2025: a regulation updating the conditions of use of radio frequencies;
- Resolution no. 777/2025: a revised General Telecommunication Services Regulation. These measures aim to support the continuous development of telecommunication services in Brazil by promoting innovation, competition and digital inclusion.

Revision of the Service Quality Regulation

In December 2019, ANATEL approved the new Service Quality Regulation (*Regulamento de Qualidade dos Serviços de Telecomunicações*) (RQUAL), in response to reactive regulation. In this new model, quality is measured on the basis of three main indicators – a Service Quality Index, a Perceived Quality Index and a User Complaints Index – and operators are classified into five categories (A to E). Based on this reactive regulation, ANATEL will be able to take measures according to specific cases, such as consumer compensation, the adoption of an action plan or the adoption of precautionary measures to ensure quality standard improvements.

Following the joint work of ANATEL, operators and ESAQ (*Entidade de Suporte à Aferição da Qualidade*) to define the objectives, criteria and reference values of these indicators, in late November 2021 the ANATEL Board of Directors formalized the reference documents supporting this regulation: the Operating Manual and the Reference Values; it also established the operational entry into force on March 1, 2022. The agency now publishes monthly quality indicator results on its website. As regards quality labels, in

November 2023 the Agency announced the temporary and partial suspension of the Reference Values Document and the Quality Labels Document for the years 2022 and 2023, granting a period of 120 days to submit a new proposal on the method and parameters for establishing quality labels.

In December 2024, following an industry consultation, the Board of Directors approved an update to the Reference Values Document (*Documento de Valores de Referência - DVR*); however, this diverged from the industry's requests, prompting operators to file administrative appeals. On considering these appeals, the Agency partially granted the operators' request for a review In June 2025.

Review of the General Regulation on Consumer Rights (RGC)

In November 2023 ANATEL published Resolution 765/2023, the New General Regulation on Consumer Rights ("RGC"), which revokes Resolution no. 632/2014 and establishes new general rules for customer service, billing and offers, applicable to fixed-line, mobile, broadband and cable TV customers. The new RGC will come into force by September 1, 2025 for the general rules and within fifteen months for the registration of offers and the price adjustment rules.

In December 2024, ANATEL's Board of Directors reviewed cancellation requests submitted by operators, introducing more flexibility on key aspects such as offer migration, data base for adjustments, automatic renewals, billing during suspension, asymmetry with small providers and partner fees. The revised regulation is expected to take effect in September 2025.

Data protection

- On August 14, 2018, the *Lei Geral de Proteção de Dados Pessoais* (Law 13.709/2018 - LGPD) was enacted.
- In December 2018, Provisional Measure 869/2018 created the National Data Protection Authority (*Autoridade Nacional de Proteção de Dados - ANPD*) and extended the period for the entry into force of the Law to 24 months (August 2020).
- In June 2020, Law 14,010/2020 deferred the coming into force of the LGPD, only for the provisions related to fines and penalties, to August 2021. The other provisions of the law took effect in September 2020. In addition, Decree no. 10,474/2020 came into effect in August 2020, establishing the ANPD, which among other things would

become responsible for: producing guidelines for national data protection policy; supervising enterprises and applying sanctions; issuing regulations and procedures on personal data protection.

- In August 2021, articles relating to supervision and sanctions imposed by the ANPD came into force.
- In October 2021, the regulation (CD/ANPD no. 1 of October 2021) for the administrative supervision and sanction process under the responsibility of the ANPD was approved.
- In January 2022, the regulation (CD/ANPD no. 2 of January 2022) implementing the LGPD for small processing agents was approved.
- In June 2022, a Provisional Measure no. 1,124 was published, transforming the ANPD into an independent agency of special nature. The Provisional Measure was converted into Law 14,460/2022.
- In December 2022, the new incident report form was published, with the obligation to report any breach of personal data.
- In January 2023, the ANPD became a self-sufficient entity connected to the Ministry of Justice and Public Safety.
- In February 2023, the Regulation on Dosimetry and Enforcement of Administrative Penalties was approved by Res. CD/ANPD no. 4/2023.
- In May 2023, CD/ANPD Statement no. 1 was published, which addressed the applicable legal basis for processing personal data of children and adolescents (Articles 7 and 11 of the LGPD).
- In February 2024, the ANPD published a guideline on legal assumptions for the processing of personal data based on legitimate interest.
- In April 2024 it published a Regulation on Security Incident Reporting.
- In July 2024, it approved the Regulations on the Role of the Data Processor.
- In August 2024, it published the Regulations on International Data Transfer and the Content of Standard Contractual Clauses.

CORPORATE BOARDS AT JUNE 30, 2025

Board of Directors

The Ordinary Shareholders' meeting of TIM, held on April 23, 2024, appointed a Board of nine Directors for a three-year term of office (up to the approval of the financial statements at December 31, 2026). At its meeting on April 24, 2024, the Board of Directors appointed Alberta Figari as its Chairman (qualifying as an independent director) and Pietro Labriola as Chief Executive Officer and General Manager of the Company (qualifying as a non-independent executive director).

The current power structure of the Company provides the assignment:

- to the Chairman, of the powers contemplated by law, the bylaws and corporate governance arrangements;
- to the Chief Executive Officer, of all powers necessary to perform acts pertinent to the Company's business, except for the powers reserved to the Board of Directors.

As of June 30, 2025, the Board of Directors of TIM S.p.A. had the following members:

Chairman	Alberta Figari (independent)
Chief Executive Officer and General Manager	Pietro Labriola
Directors	Domitilla Benigni (independent)
	Paola Camagni (independent)
	Federico Ferro Luzzi (independent)
	Paola Giannotti De Ponti (independent)
	Giovanni Gorno Tempini
	Umberto Paolucci (independent)
	Stefano Siragusa (independent – pursuant to Consolidated Law on Finance)
Secretary to the Board	Agostino Nuzzolo

The following board committees were in place at June 30, 2025:

- **Control and Risk Committee**, made up of the Directors: Federico Ferro Luzzi (Chairman), Paola Camagni and Paola Giannotti De Ponti;
- **Nomination and Remuneration Committee**, made up of the Directors: Paola Giannotti De Ponti (Chairman), Domitilla Benigni and Umberto Paolucci;
- **Related Parties Committee**, made up of the Directors: Paola Camagni (Chairman), Federico Ferro Luzzi and Umberto Paolucci;
- **Sustainability Committee**, made up of the Chairman of the Board of Directors Alberta Figari (Chairman), CEO Pietro Labriola, and Directors Domitilla Benigni, Giovanni Gorno Tempini and Stefano Siragusa.

Board of Statutory Auditors

The Ordinary Shareholders' Meeting of TIM S.p.A., held on April 24, 2024, appointed the Company's Board of Statutory Auditors for a term of office that will end with the approval of the 2026 financial statements.

The Board of Statutory Auditors of the Company is now composed as follows:

Chairman	Francesco Fallacara
Standing Auditors	Anna Doro
	Massimo Gambini
	Francesco Schiavone Panni
	Mara Vanzetta
Alternate Auditors	Massimiliano Di Maria
	Laura Fiordelisi
	Paolo Prandi
	Carlotta Veneziani

Independent Auditors

The engagement for the independent auditing of the financial statements of TIM S.p.A. for the nine-year period 2019-2027 was awarded to EY S.p.A. by the shareholders' meeting of March 29, 2019.

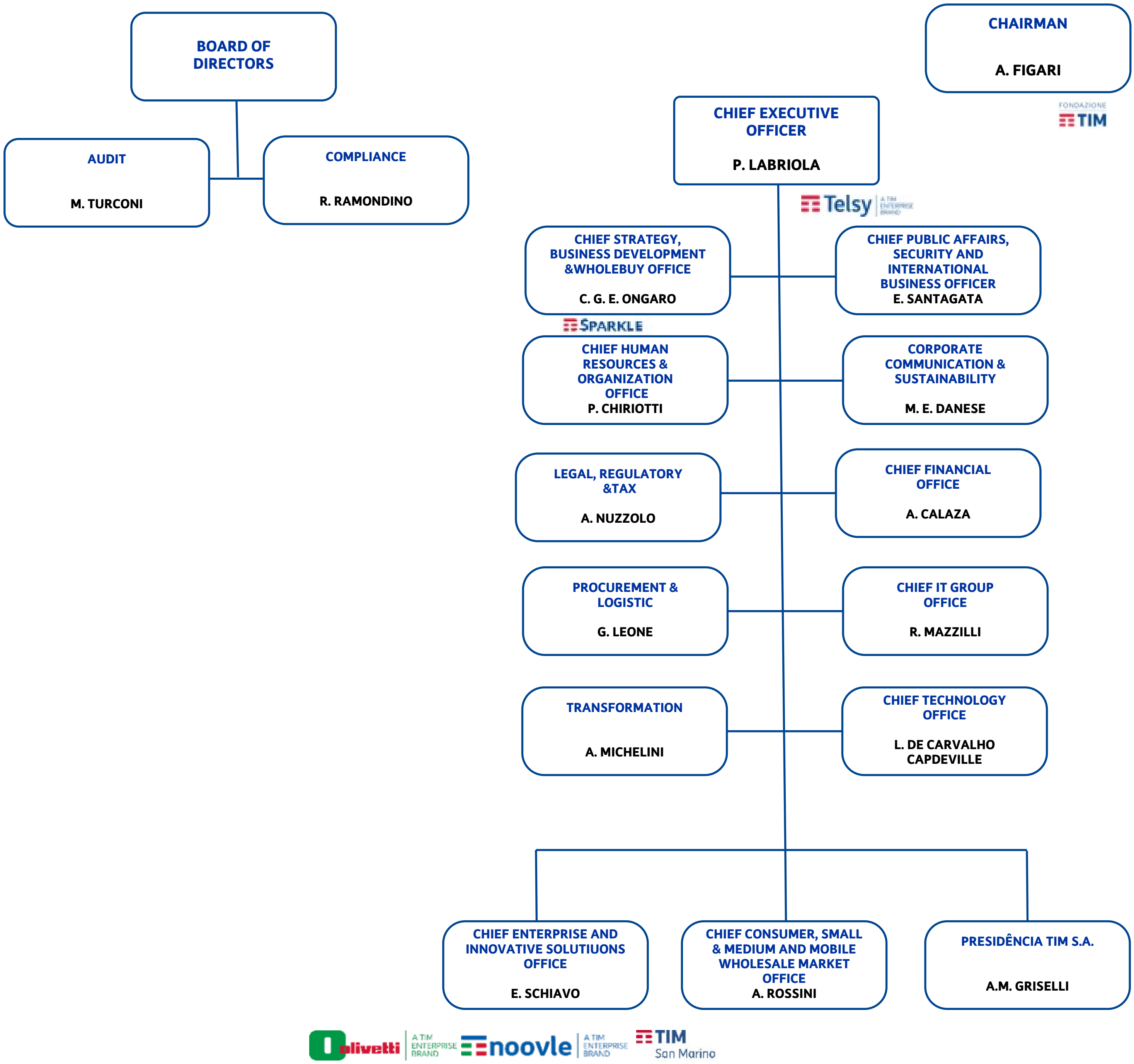
Executive responsible for preparing the corporate accounting documents

At the meeting of April 24, 2024, the Board of Directors appointed Adrian Calaza Noia (Head of the Group Chief Financial Office) as the manager responsible for preparing the financial reports of TIM S.p.A.

Sustainability Manager

At the meeting of December 11, 2024, the Board of Directors appointed Maria Enrica Danese (Head of the Group's Corporate Communication & Sustainability function) as Sustainability Manager of TIM S.p.A.

MACRO-ORGANIZATION CHART AT JUNE 30, 2025



INFORMATION FOR INVESTORS

Share capital of TIM S.p.A. at June 30, 2025

Share Capital	11,677,002,855.10 euros
Number of ordinary shares (without nominal value)	15,329,466,496
Number of savings shares (without nominal value)	6,027,791,699
Number of TIM S.p.A. ordinary treasury shares	96,442,802
Percentage of ordinary treasury shares held by the Group to total share capital	0.45%
Market capitalization (based on June 2025 average prices)	8,625 million euros

On May 25, 2016, the Shareholders' Meeting approved amendments to the company name, introducing the name "TIM S.p.A." as an alternative to "Telecom Italia S.p.A.".

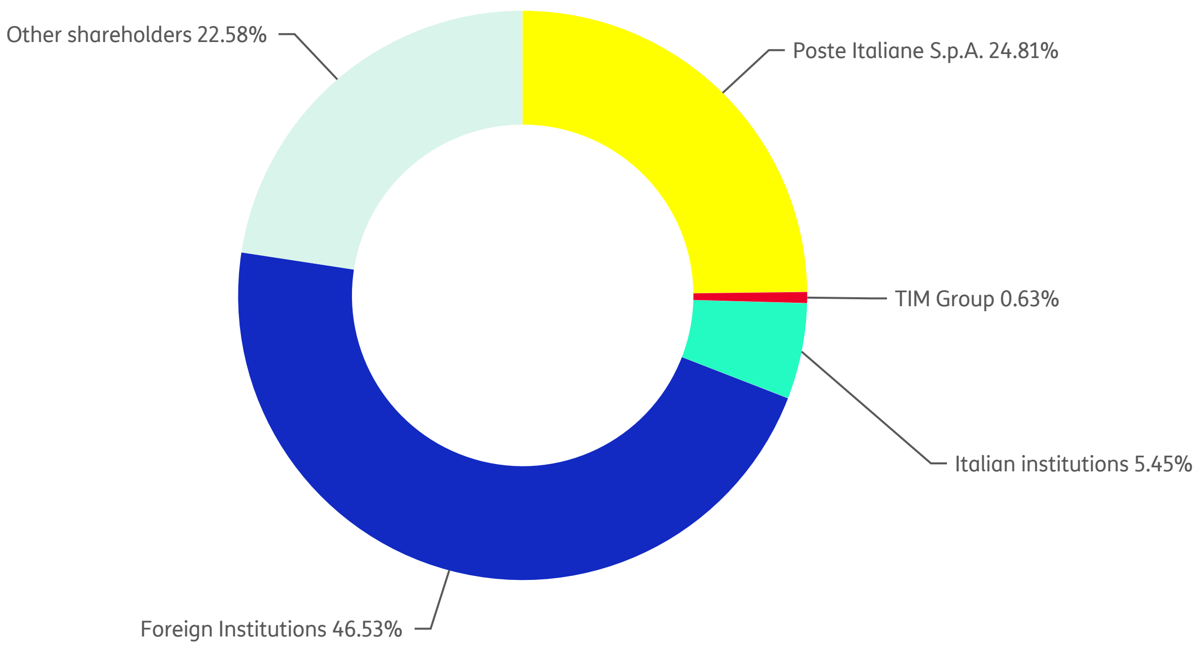
TIM S.p.A. ordinary and savings shares are listed on the Italian stock exchange (FTSE index), whereas the ordinary shares of TIM S.A. are listed in Brazil under B3.

Code	TIM - Telecom Italia		TIM S.A.
	ordinary shares	savings shares	
Stock exchange	IT0003497168	IT0003497176	BRTIMSACNOR5
Bloomberg	TIT IM	TITR IM	TIMS3 BZ
Reuters	TLIT.MI	TLITn.MI	TIMS3.SA

Ordinary shares of TIM S.A. were also listed on the NYSE (New York Stock Exchange); share prices are set through ADS (American Depositary Shares) representing 5 ordinary shares of TIM S.A.

Shareholders

Shareholder composition according to the Shareholders Book at June 30, 2025, supplemented by communications received and other available sources of information (ordinary shares):



Major Holdings in Share Capital

As of June 30, 2025, based on the results of the Shareholders' Register, communications made to Consob and the Company pursuant to Article 120 of Legislative Decree no. 58 of February 24, 1998, and other available information, there were the following significant holdings (above the 3% threshold) in the ordinary share capital of TIM S.p.A:

Holder	Type of ownership	Percentage of ownership
Poste Italiane S.p.A.	Direct	24.81%

On May 26, 2025, "Notification of Major Shareholding - Form 120A" was received indicating that the major shareholding of Poste Italiane S.p.A. stands at 24.81%.

On May 28, 2025, "Notification of Major Shareholding - Form 120A" was received indicating that the major shareholding of Vivendi S.E. stands at 2.506%.

Common Representatives

The special meeting of the savings shareholders held on June 24, 2025 appointed Avv. Prof. Emanuele Rimini as the common representative for three financial years, up to the approval of the financial statements for the year ended December 31, 2027. Upon completion of the shareholders' meeting called to approve the financial statements for the year 2027, the general category meeting will be called to renew the common representative of savings shareholders.

Rating

At June 30, 2025, the three rating agencies – Standard & Poor's, Moody's and Fitch Ratings – rated TIM as follows:

	Rating	Outlook
STANDARD & POOR'S	BB	stable
MOODY'S	Ba2	stable
FITCH RATINGS	BB	positive

Waiver of the obligation to publish disclosure documents for extraordinary transactions

On January 17, 2013, the Board of Directors of TIM S.p.A. resolved to exercise the option, as per article 70 subsection 8 and article 71 subsection 1-bis of the Consob Regulation 11971/99, to waive the obligations to publish disclosure documents in the event of significant operations such as mergers, demergers, capital increases by means of the transfer of assets in kind, acquisitions and disposals.

RELATED-PARTY TRANSACTIONS

Pursuant to Art. 5, paragraphs 8 and 9, of Consob Regulation no. 17221 of March 12, 2010 concerning "Related-party transactions" and subsequent amendments, in the 2024 financial year there are no transactions of greater importance, as defined by the Art. 4, paragraph 1, letter. a) of the aforementioned regulation which have significantly influenced the financial situation or results of the TIM Group.

It should also be noted that on October 4, 2024, at the same time as receiving the first non-binding offer for the purchase of Telecom Italia Sparkle, the Board of Directors identified the Ministry of Economy and Finance (MEF) as a related party of TIM. For the purposes of the Half-Year Financial Report at June 30, 2025, as required by IAS 24 paragraph 26, a qualitative analysis was carried out on existing relationships with MEF subsidiaries. This analysis showed that these relationships are mainly related to purchases and sales of goods and services (energy, transportation, postal and financial services, IT) that are conducted at normal market conditions.

In addition, there were no transactions concluded in the first half of 2025 that significantly impacted the equity position or results of the TIM Group, nor were there any changes or developments with respect to the related-party transactions described in the 2024 Report on Operations which had a significant effect on the financial position or on the performance of the TIM Group in the first half of 2025.

It should also be noted that on February 12, 2025, TIM's Board of Directors reviewed and approved the binding offer for the purchase of TIM's 100% stake in Sparkle, received the previous day from the Ministry of Economy and Finance (MEF) and Retelit.

The evaluation of the purchase offer followed the provisions relating to transactions with related parties of greater importance, in accordance with applicable regulations, the MEF qualifying as such. The Related Parties Committee, after extensive and thorough consideration, expressed a favorable opinion.

Related-party transactions, when not dictated by specific laws, were conducted at arm’s length. They were performed in compliance with the internal procedure, which sets forth rules designed to ensure the transparency and fairness of the transactions in accordance with Consob Regulation 17221/2010. The current procedure is available on the website gruppotim.it, under the Group - Governance - Governance Tools - Other Codes and Procedures section.

For information on transactions with related parties, see the Financial Statement Statements and the Note "Related-party transactions" of the TIM Group Half-Year Condensed Consolidated Financial Statements at June 30, 2025.

ALTERNATIVE PERFORMANCE MEASURES

In addition to the conventional financial performance measures established by IFRS Accounting Standards, the TIM Group uses certain alternative performance measures in its internal presentations (*business plan*) and in external presentations (to analysts and investors) for the purposes of enabling a better understanding of the *performance* of its operations and its financial position. These measures in fact represent a useful unit of measurement for assessing the operating performance of the Group (as a whole and at Business Unit level).

Such measures, which are presented in the periodical financial reports (annual and interim), should, however, not be considered as a substitute for those required by the IFRS Accounting Standards. As these measurements are not defined by the IFRS Accounting Standards, their calculation may differ from the alternative indicators published by other companies. This is why comparability between companies may be limited.

The alternative performance measures normally used are described below:

- **EBITDA**: this measure is used by TIM as *the financial target*, in addition to the **EBIT**. These measures are calculated as follows:

Profit (loss) before tax from continuing operations	
+	Finance expenses
-	Finance income
+/-	Other expense (income) from investments
+/-	Share of losses (profits) of associates and *joint ventures* accounted for using the equity method
EBIT – Operating profit	
+/-	Impairment losses (reversals) of non-current assets
+/-	Capital losses (gains) from non-current assets
+	Depreciation and amortization
EBITDA - Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets	

- In this document, following the NetCo disposal transaction, in order to provide a better understanding of the business's performance, **organic economic and financial information** relating to the operating performance in the first half of 2024 is presented below, restated based on operating data. Such organic information is prepared by simulating the separation operation of the fixed network, with the creation of the NetCo component and the consequent definition of the new TIM Group perimeter, as it had occurred at the start of the reference period (January 1). Therefore, for all organic data the **like-for-like** definition is used to highlight both organic information (Brazil Business Unit) and organic information as reconstructed above (TIM S.p.A, Domestic Business Unit, TIM Group), simulating for the first half of 2024, the impact of the relationship between TIM and NetCo/FiberCop, regulated by the Master Service Agreement (MSA) and recording, for the first half of 2025, the actual accounting impact of the MSA and the Transitional Services Agreement (TSA).
- **Organic change and impact of non-recurring items on revenues, EBITDA and EBIT**: these measures express changes (amount and/or percentage) in Revenues, EBITDA and EBIT, excluding, where applicable, the effects of the change in the scope of consolidation, the exchange differences and the non-recurring events and transactions. The TIM Group presents a reconciliation between the "accounting or *reported*" figures and the "organic excluding the non-recurring items".
- **EBITDA margin and EBIT margin**: TIM believes that these margins represent useful indicator of the ability of the Group (as a whole and at Business Unit level) to generate profits from its revenues. In fact, EBITDA margin and EBIT margin measure the operating performance of an entity by analyzing the percentage of revenues that are converted into EBITDA and EBIT, respectively.
- **Net financial debt**: TIM believes that the Net Financial Debt represents an accurate indicator of its ability to meet its financial obligations. It is represented by Gross Financial Debt less Cash and Cash Equivalents and other Financial Assets. The TIM Group presents a table showing the amounts taken from the statement of financial position and used to calculate the Net Financial Debt of the Group.

  To provide a better representation of the true performance of Net Financial Debt, in addition to the usual indicator (renamed "Net financial debt carrying amount"), the TIM Group reports a measure called "Adjusted net financial debt", which neutralizes the effects caused by the volatility of financial markets. Given that some components of the fair value measurement of derivatives (contracts for setting the exchange and interest rate for contractual flows) and of derivatives embedded in other financial instruments do not result in actual monetary settlement, the Adjusted net financial debt excludes these purely accounting and non-monetary effects (including the effects of IFRS 13 – Fair Value Measurement) from the measurement of derivatives and related financial assets/liabilities.

Net financial debt is calculated as follows:

+	Non-current financial liabilities
+	Current financial liabilities
+	Financial liabilities directly related to discontinued operations / held-for-sale non-current assets
A)	**Gross financial debt**
+	Non-current financial assets
+	Current financial assets
+	Financial assets included within discontinued operations / held-for-sale non-current assets
B)	**Financial assets**
C=(A - B)	**Net financial debt carrying amount**
D)	**Reversal of fair value measurement of derivatives and related financial liabilities/assets**
E=(C + D)	**Adjusted Net Financial Debt**

- **Equity Free Cash Flow (EFCF)**: this financial measure represents the free cash flow available for the remuneration of own capital, to repay debt and to cover any financial investments and payments of licenses and frequencies. In particular, the indicator highlights the change in adjusted net financial debt without considering the impacts of payment of dividends, *changes in equity*, acquisitions/disposals of equity investments, outlay for the purchase of licenses and frequencies, increases/decreases of finance lease liabilities payable (new *lease* operations, renewals and/or extensions, cancellations/early extinguishing of *leases*).

The Equity Free Cash Flow measure is calculated as follows:

	Reduction/(Increase) in adjusted net financial debt from continuing operations
+/-	Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))
-	Payment of TLC licenses and for the use of frequencies
+/-	Financial impact of acquisitions and/or disposals of investments
-	Dividend payment and Change in Equity
	Equity Free Cash Flow

- **Capital expenditures (net of TLC licenses)**: this financial measure represents the capital expenditures made net of investments for competence relating to TLC licenses for the use of frequencies.
- **Operating Free Cash Flow (OFCF) and Operating Free Cash Flow (net of licenses)**: these financial measures represent the cash flow available to repay the debt (including *lease* payables) and cover any financial investments and, in the case of OFCF, payments of licenses and frequencies.

Operating Free Cash Flow and Operating Free Cash Flow (net of licenses) are calculated as follows:

	EBITDA
-	Capital expenditures on an accrual basis
+/-	Change in net operating working capital (Change in inventories, Change in trade receivables and other net receivables, Change in trade payables, Change in payables for mobile telephone licenses/spectrum, Other changes in operating receivables/payables, Change in employee benefits, Change in operating provisions and other changes)
	Operating Free Cash Flow
-	Payment of TLC licenses and for the use of frequencies
	Operating Free Cash Flow (net of licenses)

Alternative performance measures After Lease

Following the adoption of IFRS 16, the TIM Group presents the following additional alternative *performance* measures:

- **EBITDA After Lease ("EBITDA-AL")**, calculated by adjusting the Organic EBITDA, net of the non-recurring items, from the amounts connected with the accounting treatment of the lease contracts;
- **Adjusted Net Financial Debt After Lease**, calculated by excluding from the adjusted net financial debt the net liabilities related to the accounting treatment of *lease* contracts. TIM believes that the Adjusted net financial debt After Lease represents an indicator of the ability to meet its financial obligations;
- **Equity Free Cash Flow After Lease,** calculated by excluding from the Equity Free Cash Flow the amounts related to lease payments. This measure is calculated as follows:

+	Equity Free Cash Flow
-	Principal share of lease payments

This measure is a useful indicator of the ability to generate Free Cash Flow.

INNOVATION, RESEARCH AND DEVELOPMENT

The first six months of 2025 saw the TIM Group become the spokesperson for cross-cutting innovation activities, central to technological, market and competitive change. The Technological Innovation and Business Innovation function, with offices in Turin, Milan, Rome and Catania, employing around 160 people, focuses on activities that give the Company a competitive advantage in terms of business and technological innovation and recognition of the brand's innovative value, both in terms of revenue growth and corporate efficiency. More generally, TIM employs 1,450 people in Italy in Research and Development activities.

TIM has strengthened its adherence to the Open Innovation paradigm as an operating model by aiming for:

- the creation of a large ecosystem of partners (start-ups, companies, universities, public administration, etc), to encourage the meeting of "demand" and "supply";
- the creation of lasting relationships with strategic partners;
- a platform model approach in which TIM provides access to functionalities used by subjects (both internal and external) involved in the innovation process to create new digital products/services.

Network innovation and 5G based services

TIM is strongly committed to technological development and transformation: At the Group level, approximately 6 billion euros is planned for 5G, Cloud, Artificial Intelligence and IoT in the 2025-2027 strategic plan.

Capital expenditure in the mobile network will accelerate the development of 5G, enabling further innovation in the industrial, public and private sectors, with advanced and sustainable Cloud-based, AI-based and IoT based solutions.

TIM continues to extend 5G coverage, with the aim of reaching – from a base of 77% in 2024 – 90% of the population by 2027. The service is already available in the main cities and in thousands of municipalities for citizens and businesses at a speed of up to 2 Gigabits per second.

In recent years, TIM has participated in more than 30 European research and innovation projects relating to the evolution of 5G, most notably Horizon Europe, which cover the activities promoted by the 6G Industry Association. In fact, TIM is one of the most active operators in Europe in terms of number of projects funded (more than ten new projects in the last three years) and volume of funding. Standout examples include the recent "6G-Sustain" European project for future mobile network sustainability; 6GREEN (a project for the energy efficiency of upcoming system) and Trialsnet, which trials innovative 5G solutions.

Recent applications of 5G

- **TIM Enterprise has joined MOST** - Centro Nazionale per la Mobilità Sostenibile (National Centre for Sustainable Mobility), a project funded by the National Recovery and Resilience Plan (NRRP) to increase efficient mobility and support the development of smart cities by interconnecting vehicles, infrastructure and users. In coordination with the Spoke 7 – Cooperative, Connected and Automated Mobility (CCAM), Connected Networks and Smart Infrastructure – project from the University of Naples "Federico II", TIM Enterprise develops and trials innovative Smart-Road solutions through its proprietary "Via-Nova" platform, which is capable of enabling interoperable Cellular Vehicle-to-Everything (C-V2X) services thanks to the 5G network and the Edge Cloud, thus improving safety, traffic management and sustainability. **As part of this program, TIM participated in "CCAM4Italy - Connected, Safe and Sustainable Mobility'" in June 2025,** at which some demonstration scenarios were presented. TIM showcased low-latency 5G connectivity and the "Via-Nova" platform, as well as demonstrating some use cases together with other partners. These included a "road safety" example, developed in cooperation with a leading insurance company: specifically, two vehicles fitted with smart boxes exchange information with 5G and Via-Nova. Meanwhile, a stalled car that is not visible to these vehicles emits a signal to oncoming drivers, warning them of stall so that they can react in time.
- At the "5G Industrial Experience Hub'" event held at **BI-REX in Bologna**, advanced manufacturing sector solutions using a private 5G network were showcased, ushering in a new era of the wireless "smart factory". At Bi-REX, TIM – in collaboration with Qualcomm – upgraded the latest generation 5G standalone private network with coverage at even 26 GHz millimetric frequencies, thus creating a digitally interconnected environment to foster businesses' technological and digital innovation processes. The BI-REX Competence Centre is an example of a state-of-the-art digital factory where companies can tangibly experience the benefits of adopting 5G integrated with enabling technologies such as IoT, AI, Edge Computing and Cloud Robotics, allowing them to test innovative industry solutions before investing. Examples include TIM Enterprise's "TIM Multi Robot Orchestrator", a software platform that manages robots (terrestrial and drones) in industrial scenarios, while also integrating cloud services for video stream analysis with AI and real-time data analysis.
- In January, a corneal surgical operation was performed remotely from Bangalore (India) to the Policlinico di Bari, made **possible by TIM's 5G technology, working in collaboration with Ericsson**. With the installation of the appropriate infrastructure at the Ophthalmology Clinic of the Policlinico di Bari, an adequate transmission latency was thus able to be maintained between the iVis Remote Control Station and the iRes®2 laser. Numerous remote operations using the same technology have already been carried out from Bari to Barcelona, Grosseto, Dubai and Rome.

TIM 5G for consumer and business customers

TIM offers consumer and business customer all mobile and fixed-mobile commercial offerings with a 5G profile. In particular, two profiles are on offer to the consumer segment, offering increasingly higher speeds with less latency: **5G ULTRA** up to 2Gbps download and 300Mbps upload speed with mobile network access priority and 5G with up to 250Mbps download and 75 Mbps upload speed. **5G ULTRA** is included in the **TIM Mobile** and **TIM Young (for under 30s) consumer portfolio and the TIM 5G Power business packages in Premium+, Unlimited One and Unlimited+** versions. The locations reached by 5G can be found at the following link: https://www.tim.it/fisso-e-mobile/5g#c-116697820.

TIM also offers 5G speed to customers traveling beyond the Italian borders. With 5G offerings already active and valid in Italy, customers can automatically benefit from the 5G roaming agreements signed between TIM and its main partners across many European and international countries. For more details, please visit https://www.tim.it/fisso-e-mobile/estero/copertura-5g.

Applications and use scenarios of 5G

5G private network offer for businesses

TIM offers a private 5G network offer for all customers who need dedicated connectivity. The solution guarantees low latency, high traffic capacity, data security and reliability, components to optimize competitive success in many market sectors. TIM offers the ability to build a virtual private network using a dedicated 5G APN; and among its business support tools, it can provide 5G M2M SIMs with a dedicated management platform.

Industrial robotics and automation

Interconnect, exchange data and remotely manage industrial plants, ensuring greater efficiency, reliability, safety and significantly improving the production cycle. The use of a dedicated 5G private network achieves the objectives of very low latency and good data security required by production companies.

The NTB-01 robot – developed by Ducati Corse and Lenovo – **is evolving with 5G technology**. **This robot, used for analysis and precision mapping of race tracks and** armed with advanced systems such as stereo camera and LiDAR, **now has on-board TIM 5G connectivity for real-time data transmission**, thus overcoming the need for manual intervention with the advantage that it connects remotely to the Lenovo workstation built into the robot. Another new feature is the introduction of a GPS-RTK localisation solution, developed by TIM Enterprise in collaboration with WAY, which provides the robot with centimetric positioning accuracy.

Smart City

- **TIM presides over the Venice Control Room for the** smart city **of the future**, bringing together within a single "control room" solutions to improve the mobility and safety of the city by creating an urban intelligence model based on enabling technologies such as IoT, Artificial Intelligence and Cloud. **TIM Enterprise made the implementation of the project possible with the "TIM Urban Genius" solution developed in collaboration with Olivetti, a Group company specialized in IoT.** "TIM Urban Genius" is a console, equipped with the best digital technologies, which creates a sustainable smart city model capable of responding even to sudden events, to support the administrations, citizens and for the benefit of the community and already adopted by several municipalities of large and small sizes. "TIM Urban Genius" uses the most modern Information Technology technologies, in particular Big Data and Video Analytics and Machine Learning, Internet of Things, Cloud Computing and 5G to provide information and forecasts in real time, to support the decisions of the administrations for the control and measurement of the state of the city, of road and water traffic, for the governance of flows and for assistance with the mobility of citizens, allowing to intervene quickly or in advance in situations of need and to optimize the planning of services.
- **TIM is a partner of the new urban laboratory in Turin "La Casa delle tecnologie emergenti - CTE Next"** for the development of strategic sectors such as intelligent mobility, industry 4.0 and innovative urban services. It is a widespread technology transfer center on emerging technologies enabled by TIM's 5G.
- **TIM is a partner of the CTE COBO (Casa delle Tecnologie Emergenti of the Municipality of Bologna)**, which promotes the spread of technological infrastructure throughout the Emilia-Romagna region, aimed at bringing innovation and sustainable growth in strategic sectors such as: Industry 4.0, Cultural and Creative Industry and Innovative Urban Services. It is a widespread technology transfer center on emerging technologies enabled by TIM's 5G for the development of new generation digital services and the Casa delle Tecnologie Emergenti (CTE) in Cagliari, which is trialling 5G-related blockchain solutions.
- **TIM is a partner of the Casa delle Tecnologie Emergenti (CTE)** in Naples, an advanced innovation center in the cultural and creative industries sector being built in the East Naples area. TIM will create a 5G network infrastructure indoor dedicated to the new technology center. The infrastructure is aimed at supporting the testing of the services of the companies participating in the project.

Tourism, Culture & Entertainment

The new extended reality technologies represent valid alternatives for contact with spectators and visitors, for the use of contents in museum and archaeological contexts and in the promotion of the territory and culture. The technological platform allows the creation and customization of augmented and virtual reality experiences and is the result of experiments carried out by TIM's Innovation area. Numerous solutions are currently included in the TIM Enterprise catalogue.

- **TIM Enterprise has unveiled a project for technological innovation at Borgo Panigale, the home of Ducati. This was born from the collaboration between TIM and Ducati Corse across global race circuits and was implemented in partnership with Qualcomm Technologies Inc.** The initiative consists of several advanced technological solutions which TIM Enterprise has developed to explore new and immersive experiences for race fans. Thanks to TIM Enterprise's new *Virtual Reality* digital solutions and 5G technology, visitors to the Ducati Museum will now be able to soak up the atmosphere of the MotoGP™ Official Ducati Team Box, with a 360° point-of-view experience in 8K video quality. Visitors can also retrace the history of the iconic Ducati 916 in a virtual "room of wonders" featuring an interactive collection of images, rare historical images and designs. Unveiled at the opening was a demonstrative use-case highlighting the potential of 5G-connected robots for the industrial and logistics environment, with tracking of all motorcycles moving within the new Ducati logistics hub in Valsamoggia (BO).
- **In Florence, TIM Enterprise, together with the Opera di Santa Croce, presented a project that allows you to combine culture and technology to enhance the Italian artistic heritage**.

- **TIM is a partner of the Casa delle Tecnologie Emergenti (CTE)** in Naples, an advanced innovation center in the cultural and creative industries sector being built in the East Naples area. TIM will create a 5G network infrastructure indoor dedicated to the new technology center. The infrastructure is aimed at supporting the testing of the services of the companies participating in the project.

Innovation and research with universities

Funded research activities

Also during 2025, TIM actively participates in innovation and research initiatives funded by the European Union and national governments. In particular, TIM took part in international projects covering key issues for the company. In the period 2021-2027, TIM is engaged – and will continue to be engaged – in a significant number of research projects (10-15 projects a year) included in European research and innovation programs (such as Connecting Europe Facility, Horizon 2020 and its recent evolution Horizon Europe), for which it has obtained total funding of around 1.5-2 million euros per year. In this context, funded project activities – covering the topics of 5G, virtualization and smart mobility services and, more recently, "Beyond 5G" – will help define a new generation of mobile systems in the near future, thus enabling TIM to add to the body of expertise on the one hand and to acquire and consolidate an internationally recognized role on the other.

The IPCEI-CIS program

TIM is one of the Italian companies that has been awarded funding under the "Important Projects of Common European Interest - Cloud Infrastructure Services" (IPCEI-CIS).

The project aims to develop and implement a next-generation "Edge Cloud Continuum" that can offer high performance in terms of latency and minimum guaranteed bandwidth. It will also ensure open and public access to all use cases and related open data management; it will ensure security and compliance with EU data legislation; and it will provide the foundation for new European digital services.

"TIM Edge & Cloud Continuum" is a project launched by TIM under the IPCEIs promoted by the European Commission to promote and fund collaboration between companies and research centers in the implementation of innovative and strategic projects dedicated to industrial development and production in specific sectors.

More specifically, in December 2023 the European Commission authorized the implementation of the first IPCEI focused on technologies that aim to create a European value chain for Cloud Infrastructure and Services (CIS). The goal is to foster interoperability and integration of cloud offerings in Europe, the availability of public and private investment in the Edge and the Cloud, and the entry of new companies into the market, resulting in the growth of the ecosystem.

Innovation and research with universities

As for research and development activities, TIM has always focused on the creation of a real "Open Innovation Ecosystem" centered on the collaboration with Italian Universities in order to develop new Open Lab and Research Projects, as well as through PhD contribution to internalize specialized knowledge, but also for the sharing of technological trends, heralding new growth opportunities within an increasingly global market.

Open Innovation therefore grafts into an integrated ecosystem with the strategic European and Italian departments comprising orders, PhDs, PoCs, the development of demo prototypes, Community Open Source, financed projects and dissemination.

In its planning of research activities with universities, real, structured courses were identified in the first half of 2025 on some medium/long-term topics to complete and enrich the internal know-how and construct an all-round overview; Specifically, the research will involve:

- setting medium-term paths and collaborations;
- continuing the Research Agreements by means of specific Framework Agreements with:
  - Polytechnic University of Turin for research projects on AI&Big Data, Edge&Cloud, IoT, Mobility, Museums, Tourism, Web3, Metaverse, Advanced "quantum-ready" algorithms for real world applications, Radio Evolution;
  - University of Milan for studies aimed at modeling and designing a 5G simulator with advanced telco edge node capabilities, compatible with TIM network specifications and capable of supporting Mobile Edge Computing nodes;
  - the CNIT on the topic of 5G, with the aim of defining and developing a realistic simulated environment thanks to the synergic use of MDT data measurement campaigns, network performance data (cell KPI) and electromagnetic simulation software of TIM's TIMPLAN radio mobile networks;
  - University of Turin with research on the topic of AI&HCI;
  - University of Catania with 2 projects on: "IoT, Nature-Based solutions, Smart Land, Sustainability" and AI, IoT and Multimedia Intelligence. It will be possible to leverage these projects as part of the collaborations ongoing with the Olivetti IoT Factory group, which TIM Enterprise is focusing on to extend its Smart City and Smart Land offering.
  - University of Trento and University of Pisa for research projects on the topic of Radio Evolution.

Here are some details about our innovation and research with universities:

- research collaborations worth more than 1 million euros for 2025, involving orders across all technology themes (Mobile, Edge&Cloud, AI, Energy, IoT, Mobility, Industry) with various departments of leading research centers, some of which as part of the IPCEI-CIS initiative;

- the presence of TIM researchers in various capacities in university courses;
- 4 PhD courses financed by TIM;
- Quantum Academy (first in Italy) with the Polytechnic University of Turin and 5G Academy with the Federico II University of Naples;
- collaboration on European projects – in particular on the Horizon and DEP program;
- national research programs – in particular the MUR NRRP Measure 4.3 RESTART project.

Proving very fruitful is the collaboration with the research ecosystem in five Industry 4.0 Competence Centers (Birex, CIM 4.0, Smact, Artes, Meditech) and in the Case delle Tecnologie Emergenti (CTE Next in Turin, Genoa, Cagliari, Bologna) promoted by MIMIT. These collaborations include the deployment of high performance 5G radio coverage, such as public access networks, which provide access both to platforms provided by TIM and to applications available on the Internet, or private access networks, which dedicate the available capacity to the users involved and provide access to locally available applications. The use cases are focused on Museums and Cultural Heritage, Smart City, Industry 4.0 and Urban Air Mobility with the development and integration of technological components relating to Extended Reality, Artificial Intelligence, advanced IoT Monitoring Systems and Security/Blockchain.

National, European and international standardization

Every year TIM, plans how it will be attend the Standardization, Fora and Open Community Bodies so that its participation in developing standards will help achieve the strategy for evolving Networks and Services, in terms of:

- protecting Telco assets (spectrum, network, numbering);
- supporting for expansion into new vertical markets, e.g., Enterprise;
- consolidating its position in traditional markets, e.g. Consumer.

This specialist technical oversight of TIM delegates, some of whom also hold *leadership* roles, is focused on areas of priority to the Telco sphere such as 5G, IoT, OSS orchestration and evolution, AI, energy efficiency, and related regulatory impacts. By contributing to and playing an active role in organisations that are spearheading progress in these critical areas for TIM's business, TIM is able to influence developments and achieve optimal solutions in coordination with its vendors and towards other operators and stakeholders.

The key Entities of strategic importance include:

- ETSI (European Telecommunications Standards Institute), which is officially responsible for setting and issuing telecommunications standards in Europe. It is a European standardization body recognized by the European Commission for the development of harmonized standards.
- ITU (International Telecommunication Union), one of the specialized agencies of the United Nations, which was established to stimulate international cooperation and foster more effective exploitation of resources used in telecommunications worldwide, such as numbering and radio spectrum. ITU is divided into 3 sectors: ITU-R in the radio communications sector; ITU-T in the telecommunications sector; ITU-D in the development sector.
- 3GPP is a collaborative project between entities involved in standardizing telecommunication systems in different regions of the world. It was formed on occasion of work commencing on 3G (3rd Generation Partnership Project). The goal is to create technology standards that can be adopted in all major world markets. These include ETSI (for Europe), ARIB and TTC (Japan), CCSA (China), ATIS (North America), TSDSI (India) and TTA (Korea). From 3G onwards, the 3GPP has produced technical specifications for all mobile radio generations and is now working on developments for 6G.
- GSM Association is an organization that represents the interests of mobile network operators around the world. Founded in 1995, the Association brings together over 750 mobile operators and more than 400 companies active in the industry, including manufacturers, developers and service providers. The GSMA promotes technological standards and policies for innovation and mobile connectivity. It also organises international events such as the Mobile World Congress. The GSMA plays a key role in developing mobile networks, as well as 4G, 5G and future technologies.

Patents and Intellectual Property Rights[1]

In the first half of 2025, the size of the Group's patent portfolio remained largely unchanged. The production of new patent applications was in line with the previous year, with three new patent applications filed and new patents granted. The patent portfolio has been rationalised, which in the second half of the year will lead some patents to be abandoned where, as the technology evolves, they are deemed not to have potential for further exploitation. The Group's patenting areas cover the entire ICT sector, particularly excelling in the mobile sector, particularly on radio access.

In more detail, TIM's patent portfolio midway through 2025 remains relatively constant at around 450 patented inventions and includes more than 2250 patent applications and patents issued; the latter have been issued after examination by the European Patent Office and national patent offices in 29 countries and account for more than 90% of the total. A significant aspect of patenting activity is the large number of patents arising from collaboration with universities and research institutes: 15% of patented inventions are the result of such collaborations. The Group also continues to participate in several 3G, 4G and 5G patent pools[2] managed by Sisvel and Avanci, with TIM's patented inventions proving essential to those standards. In particular, in the first half of 2025 we obtained essentiality certification for yet another TIM patent for Avanci's 3G+4G automotive patent pool.

1 Intellectual property rights.
2 In this rea, consortiums of companies agree to jointly license their patents that are required for a given technology that is covered by the standards.

Avanci's 3G+4G automotive patent pool currently includes 60 "*standard essential*" patent holders and has licensed 57 automotive brands.

TIM has a policy for granting recognition to first-time patents and patents that have brought a financial return. Inventors receive an award that recognizes importance of the patent as evaluated by an internal committee.

Innovation, research and development in Brazil

TIM Lab[3] is responsible for Technical Research and Development (R&D) activities; its main tasks are to define technological innovation for the network technology, to identify evolutionary needs for technologies and devices, converging strategic alliances in order to use the new business models and guarantee that the network infrastructure evolution is in line with the corporate strategy.

In June 2025, the Technology Innovation function was made up of 25 people, incorporating TLC, electrical and electronic, IT and others with professional skills and experience, which cover all areas of IT and network knowledge, meeting the need to innovate and support research and development activities.

TIM Lab continued to work on projects and initiatives to develop TIM's business, which can be grouped into the following macro groups:

- next-generation network;
- with a positive impact on the environment and society;
- future Internet applications;
- Open Lab initiatives.

TIM Lab Innovation Center[4] – TIM Lab is an innovation-focused multifunctional environment which also plays a strategic role in supporting credibility tests and trials and PoCs (proofs of concepts). It does so by collaborating with major suppliers and technology partners by means of sharing knowledge and technological infrastructure for interoperability tests, as well as through staff assessments and defining technical requirements; in synergy with the R&D department, it facilitates innovation activities and promotes collaborations with universities and research institutes.

The TIM Lab Innovation Center has moved to the São Cristóvão district of Rio de Janeiro, in the State of Rio de Janeiro, has a surface area of 850 m^2 and can also be used as an innovation space open to new opportunities, guiding innovation on the Brazilian telecommunications market and serving as a national point of reference for research and development, as well as strengthening the validation capacity regarding new software, features, solutions, technologies, services and devices and expanding the current structure in order to pursue and develop more business and opportunities in 2025.

TIM Guaratiba Valley – Established in 2019, TIM Guaratiba Valley is an innovation campus for Silicon Valley-inspired infrastructure solutions. It covers an area of approximately 10,000 m^2 and allows for the development of network projects focused on efficiency, agility and low cost. The innovations produced include urban furnishings, such as flowerpots and park benches, biosites, off-grid sites, and extremely low-cost (ELC) solutions used in the Sky Coverage Project, as well as remote monitoring initiatives, security solutions, and testing and approval of batteries and direct current power sources used in base transceiver stations (BTS). In 2023, TIM S.A. launched the Secure Site project in collaboration with the Security area to demonstrate/test security solutions in general, with the goal of mitigating equipment theft at our sites. On the B2B-project front, TIM S.A. has developed a Zero Footprint site that will be used, for instance, to provide 4G coverage on highways.

Next generation network projects

The reallocation of the 1,800 MHz, 850 MHz, and 2,100 MHz bands from 2G/3G to 4G continues, with a multilayer deployment configuration, bringing important competitive advantages for TIM S.A, such as reducing the cost of LTE deployment, enabling the carrier aggregation strategy, improving the customer experience through higher throughput, and better indoor coverage (the use of the 850/1,800/2,100 MHz bandwidths could increase capacity in cities already covered by the 2.6 GHz LTE bandwidth, with little additional cost). In this scenario, more than 99% of current LTE terminals are compatible with our available LTE bands. Therefore, the implementation of the multilayer LTE continues to be an excellent strategy that benefits from the spread of devices.

Since the end of 2022, TIM SA has covered all cities in Brazil, ensuring 100% presence nationwide (with any technology). By the end of 2023, 100% of Brazilian towns and cities (5,570) had 4G coverage. The implementation of the 700 MHz LTE layer has continued to significantly improve coverage expansion and indoor penetration, promoting the presence of LTE on a national level, and consolidating TIM S.A.'s leadership in LTE.

In addition, since 2022 TIM S.A. has been using 78 sites with band 5G (3,500 MHz), according to the regulatory rollout specified in the auction, which means that all capitals in Brazil have 5G SA (Standalone) coverage from TIM. TIM is also the leader among its competitors in 5G coverage: as of June 2025, TIM has 707 towns and cities covered by 5G, serving more than 69.5% of the urban population. This frequency band has a bandwidth of 100 MHz, which offers higher throughput.

In February 2024, TIM achieved the speed record in the Americas (11.6 Gbps) when it tested 5.5G (5G Advanced) technology in the TIM Lab.

Another highlight is support for TIM's IoT strategy, where NB-IoT network coverage has reached more than 5,167 towns and cities nationwide. This provides an important basis for exploring new business opportunities.

[3] TIM Lab, contained within the Technological Development Division.
[4] TIM Lab of TIM S.A. also collaborates with TIM Lab Italy, which has more than 50 years of experience.

Projects entailing a reduction of energy consumption

The expansion of "LTE RAN Sharing", in partnership with other mobile operators in Brazil to fulfill regulatory obligations from the 4G spectrum auction, aims to define the architectural requirements, technical assumptions and specifications for the "LTE RAN sharing[5]" solution, optimizing network resources and costs[6]. At present, this is the largest agreement for RAN sharing worldwide and it supplies 4G services to the main cities of Brazil.

The RAN sharing agreement allows TIM SA to further the spread of LTE in Brazilian rural areas, thanks to effective sharing of spectrum, access and backhaul. Now, following the acquisition of Oi, the RAN LTE sharing solution is a partnership between TIM S.A. and Telefónica, based on the MOCN architecture, which has expanded the advantages and efficiency of this technical model. The energy consumption recorded for the site, dependent on the access technology and coverage conditions, showed a reduction of up to 10%.

In December 2019, TIM S.A. and Telefónica stipulated new sharing contracts aimed at increasing the network cost efficiency through the following initiatives:

- **Single network** - sharing of the 3G and 4G networks in cities with fewer than 30 thousand inhabitants in which both operators provide their services. The underlying idea is to have, in the cities included in the agreement, a single telecommunications infrastructure that is entirely shared by the operators, thereby allowing them to switch off redundant sites and save on energy, rent and maintenance costs. This also allows for greater efficiency in future investments thanks to the sharing of the spectrum in MOCN mode. As of May 2021, each party had increased its 3G and 4G coverage in more than 300 towns and cities for a total of 422 shared sites each. From 2021 up to June 2025, we included other towns and cities within the single network agreement providing 3G and 4G coverage. One of the operators has switched off 3G and 4G networks across 417 towns and cities (25% of the total scope under the agreement, by June 2025).
- **2G switch-off** - nationwide sharing of the 2G network using GWCN technology, enabling both operators to switch off part (approximately 50%) of their network with the same technology, consequently saving on energy and maintenance costs. From 2021 to June 2025, TIM shared its 2G network across 4,818 sites, including in major cities such as Rio de Janeiro, Curitiba, Fortaleza, Brasilia, Belem and Recife. During the same period, Vivo shared its 2G network across 4,686 sites, in cities including Belo Horizonte, Salvador, Manaus, Porto Alegre and Campinas (around 88% of the total scope of the agreement, by June 2025).

Next generation network projects, future Internet applications, positive impact on the environment and society

- **5G Fund** - In 2023 TIM announced another strategic investment to map technology-based solutions. In collaboration with investment manager Upload Ventures, which specializes in investments in companies operating in the B2B and B2B2C segments, TIM launched its 5G Fund, a venture capital growth fund which aims to promote companies in different sectors of the economy. The goal is to contribute to the development of companies, including startups, by providing financial support especially to those that already have coherent business models, and to support defined growth plans by leveraging our industrial and technological assets.
- **5G for the automotive segment** - in June 2023, in collaboration with Stellantis, IP Facens (the Research Institute of the Facens University Center) and the universities of USP - São Carlos, UFSCAR and the German Technische Hochschule Ingolstadt (THI), TIM announced the launch of the project "Conecta 2030: Ecosistema connesso e cooperativo per rilevare dei pedoni agli incroci" (Conecta 2030: Connected, Cooperative Ecosystem to Detect Pedestrians at Crossroads), aimed at creating a collaborative environment focused on initiatives assuring the safety of pedestrians and cyclists. Since then, the companies involved in Conecta 2030 have been engaged in developing a concept-ecosystem by August 2026, for the development and implementation of advanced driver assistance systems (ADAS), based on three main pillars: 5G connectivity, artificial intelligence and digital twins.

  Also in the automotive sector, another partnership ws launched in 2024 between TIM, UFPE (Federal University of Pernambuco) and Stellantis (along with other companies and universities), which is also supported by the Brazilian government's "Rota 2030" program promoting research and innovation in the vertical automotive segment through the "Vehicle OTA" project. The main goal of this project is to implement a secure and integrated electronic module capable of promoting OTA (Over-The-Air) firmware updates in vehicles' electronic control units (ECUs). The project is due for completion in October 2025.
- **Private Networks** - In 2022, TIM started offering private networks, with edge core and Multi-Access Edge Computing (MEC) capabilities on the customer premises, allowing the deployment of high throughput, low-latency, and high availability services on 5G. This use case derived from a proof of concept with an automotive customer which successfully demonstrated automated quality compliance. The first commercial implementation was in 2023, involving a customer in the port logistics segment. An RFI was launched in 2024 to update the current ecosystem of private network providers, with new private network solutions continuously monitored to meet the needs of enterprise customers.
- **5G RedCap** - In 2024, the TIM Lab team worked to determine and validate TIM's 5G RedCap solution, the new 5G standard designed to address low-power, battery-efficient 5G use-cases (eMBB, uRLLC and mMTC). TIM Lab has validated the main vendors (Ericsson by October 2024 and Nokia by May 2025). The commercial adoption of the solution is in the discussion phase.
- **PoC: 5G FWA in the Marte favela** - As part of its firm commitment to digital inclusion and its focus on growing connectivity, TIM has teamed up with Gerando Falcões to create Brazil's first 5G-connected favela. The chosen community was the former favela of Vila Itália, in São José dos Campos near São Paulo, which is now being transformed into a 3D favela ('Dignified, Digital and Developed') with the new name of the Favela Marte. Relying on Fixed Wireless Access (FWA) technology, the Proof of Concept began in December 2024 and is still ongoing with residents. The impacts of the project in terms of digital inclusion and social and economic transformation include: (a) high quality Internet access; (b) community-building; (c) reducing the digital divide; (d) promoting distance education and learning; (e) digital entrepreneurship; (f) telemedicine; (g) delivery and logistics.

[5] Sharing the Radio Access Network - RAN.
[6] Infrastructure costs are mainly associated with the introduction of new radiating systems and other electronic components, passive site infrastructure and transport networks; therefore, the sharing of the resources supplied by LTE RAN makes for a significant optimization of costs for telecommunications operators.

- **Network Slicing** - In 2024, TIM became the first operator in Brazil to perform 5G network slicing on a public network to allow real-time video streaming. The initiative enabled HD streaming from 10 vehicles travelling at over 260 km/h during the final stage of the Porsche Cup 2024 season at the Interlagos racetrack in Sao Paulo. TIM was thus able to validate the principal vendors' resource prioritisation policy for RAN slicing (Huawei and Ericsson by March 2025 and Nokia by May 2025). Multivendor orchestration (NSSMF, NSMF, CSMF) is also scheduled for assessment in 2025.
- Open Gateway APIs - Open Gateway APIs are of growing strategic importance in the global digital ecosystem. With this in mind, TIM Lab has developed and validated strategic APIs for TIM Brasil's business development. In May 2025, TIM Lab completed the Proof of Concept to exhibit the CAMARA-standardised Device Location API, which allows users to verify their location within a specific area. The solution underwent end-to-end validation on the 4G network, covering all flows, measurements, responses integrated into the existing architecture, parameterisation and back-up solutions. TIM's network topology is ready for the commercial activation of the Open-Gateway Device Location API according to the standardised technical requirements.

Open Lab initiatives

- **Living Lab 5G Florianópolis** – In May 2025, TIM finalised the agreement with the City of Florianópolis and ACATE (Catarinense Technological Association) for a technical collaboration, under which connectivity infrastructure was provided for the Living Lab 5G Florianópolis program. This urban lab has structured the real city environment to test and validate technological innovations and business models using 5G technology. The innovative solutions considered, tested and validated were in the areas of safety, hygiene and urban mobility. This partnership has encouraged open innovation and has contributed to growth and digital transformation, which is benefiting from the 5G network.

HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2025 OF TIM GROUP

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HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2025 OF THE TIM GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets

(million euros)	notes	6/30/2025	of which with related parties	12/31/2024	of which with related parties
Non-current assets					
Intangible assets					
Goodwill	4)	11,034	—	11,030	—
Intangible assets with a finite useful life	5)	5,679	—	6,011	—
		16,713	—	**17,041**	—
Tangible assets	6)				
Property, plant and equipment owned		**4,127**	—	**4,560**	—
Rights of use assets	7)	**3,295**	—	**3,467**	*1*
Other non-current assets					
Investments in associates and joint ventures accounted for using the equity method	8)	255	—	265	—
Other investments	8)	162	—	150	—
Non-current financial receivables arising from lease contracts	9)	38	—	40	—
Other non-current financial assets	9)	411	—	646	—
Miscellaneous receivables and other non-current assets	10)	1,717	*3*	1,795	*3*
Deferred tax assets		514	—	513	—
		3,097	—	**3,409**	—
Total Non-current assets (a)		**27,232**	—	**28,477**	—
Current assets					
Inventories		228	—	297	—
assets	11)	4,096	*237*	4,146	*203*
Current income tax receivables		97	—	124	—
Current financial assets	9)				
Current financial receivables arising from lease contracts		*38*	—	*44*	*24*
Securities other than investments, other financial receivables and other current financial assets		*2,175*	*384*	*1,651*	*437*
Cash and cash equivalents		*1,442*	—	*2,924*	—
		3,655	—	4,619	—
Current assets sub-total		**8,076**	—	**9,186**	—
Discontinued operations /Non-current assets held for sale	12)				
of a financial nature		111	—	—	—
of a non-financial nature		1,028	—	—	—
		1,139	—	**—**	—
Total Current assets (b)		**9,215**	—	**9,186**	—
Total Assets (a+b)		**36,447**	—	**37,663**	—

Equity and liabilities

(million euros)		notes	6/30/2025	of which with related parties	12/31/2024	of which with related parties
Equity		13)				
Share capital issued			**11,677**	—	**11,677**	—
less: Treasury shares			(53)	—	(53)	—
Share capital			**11,624**	—	**11,624**	—
Additional paid-in capital			—	—	—	—
Other reserves and retained earnings (accumulated losses), including profit (loss) for the period			235	—	333	—
Equity attributable to owners of the Parent			**11,859**	—	**11,957**	—
Equity attributable to non-controlling interests			1,340	—	1,404	—
Total Equity	**(c)**		**13,199**	—	**13,361**	—
Non-current liabilities						
Non-current financial liabilities for financing contracts and others		14)	7,216	—	8,728	—
Non-current financial liabilities for lease contracts		14)	2,482	—	2,421	—
Employee benefits		18)	193	—	200	—
Deferred tax liabilities			61	—	61	—
Provisions		19)	384	—	485	—
Miscellaneous payables and other non-current liabilities		20)	658	—	896	—
Total Non-current liabilities	**(d)**		**10,994**		**12,791**	
Current liabilities						
Current financial liabilities for financing contracts and others		14)	3,967	*1*	3,870	*1*
Current financial liabilities for lease contracts		14)	490	—	523	—
Trade and miscellaneous payables and other current liabilities		21)	6,754	*45*	7,074	*59*
Current income tax payables			37	—	44	—
Current liabilities sub-total			**11,248**		**11,511**	
Liabilities directly associated with Discontinued operations/Non-current assets held for sale		12)				
of a financial nature			615	—	—	—
of a non-financial nature			391	*1*	—	—
			1,006	—	**—**	—
Total Current Liabilities	**(e)**		**12,254**	—	**11,511**	—
Total Liabilities	**(f=d+e)**		**23,248**	—	**24,302**	—
Total Equity and Liabilities	**(c+f)**		**36,447**	—	**37,663**	—

SEPARATE CONSOLIDATED INCOME STATEMENT

(million euros)	*notes*	**1st Half 2025**	*of which with related parties*	**1st Half 2024**	*of which with related parties*
Revenues	23)	**6,597**	*101*	**6,660**	*103*
Other income		135	—	49	—
Total operating revenues and other income		**6,732**		**6,709**	
Acquisition of goods and services		(3,844)	*(111)*	(3,261)	*(138)*
Employee benefits expenses		(736)	*(26)*	(737)	*(25)*
Other operating expenses		(293)	—	(309)	—
Change in inventories		5	—	27	—
Internally generated assets		135	—	171	—
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**1,999**		**2,600**	
of which: impact of non-recurring items	30)	*(65)*		*(81)*	
Depreciation and amortization		(1,473)	—	(1,571)	—
Gains (losses) on disposals of non-current assets		3	—	—	—
Impairment reversals (losses) on non-current assets		—	—	(14)	—
Operating profit (loss) (EBIT)		**529**		**1,015**	
of which: impact of non-recurring items	30)	*(64)*		*(78)*	
Share of profits (losses) of associates and joint ventures accounted for using the equity method	8)	(11)	—	(13)	—
Other income/(expense) from investments		1	—	2	—
Finance income	24)	547	*8*	689	*1*
Finance expenses	24)	(1,030)	*(3)*	(1,486)	*(2)*
Profit (loss) before tax from continuing operations		**36**		**207**	
of which: impact of non-recurring items	30)	*(74)*		*(99)*	
Income tax expense		(32)	—	(35)	—
Profit (loss) from continuing operations		**4**		**172**	
Profit (loss) from Discontinued operations / Non-current assets held for sale	12)	**(42)**	*1*	**(675)**	*29*
Profit (loss) for the period	25)	**(38)**		**(503)**	
of which: impact of non-recurring items	30)	*(138)*		*(128)*	
Attributable to:					
Owners of the Parent		**(132)**		**(646)**	
Non-controlling interests		94		143	

(euros)		**1st Half 2025**	**1st Half 2024**
Earnings per share:	26)		
Basic and diluted earnings per share (EPS)			
Ordinary share		(0.01)	(0.03)
Savings share		(0.01)	(0.03)
of which:			
from continuing assets attributable to owners of the Parent			
ordinary share		(0.01)	—
savings share		(0.01)	—
of which:			
from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent			
ordinary share		—	(0.03)
savings share		—	(0.03)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Note 13

(million euros)		1st Half 2025	1st Half 2024
Profit (loss) for the period	**(a)**	**(38)**	**(503)**
Other components of the Consolidated Statement of Comprehensive Income			
Other items that will not be reclassified subsequently in the Consolidated Statement of Comprehensive Income			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		9	8
Income tax effect		—	—
	(b)	**9**	**8**
Remeasurements of employee defined benefit plans (IAS19):			
Actuarial gains (losses)		—	17
Income tax effect		—	—
	(c)	**—**	**17**
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	—
Income tax effect		—	—
	(d)	—	—
Total other components that will not be reclassified subsequently to Separate Consolidated Income Statement	**(e=b+c+d)**	**9**	**25**
Other components that will be reclassified subsequently to Separate Consolidated Income Statement			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		17	(12)
Loss (profit) transferred to Separate Consolidated Income Statement		(11)	5
Income tax effect		—	—
	(f)	**6**	**(7)**
Hedging instruments:			
Profit (loss) from fair value adjustments		(187)	140
Loss (profit) transferred to Separate Consolidated Income Statement		224	(132)
Income tax effect		(12)	(1)
	(g)	**25**	**7**
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations		7	(446)
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(h)	**7**	**(446)**
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	**—**
Loss (profit) transferred to Separate Consolidated Income Statement		—	**—**
Income tax effect		—	**—**
	(i)	—	**—**
Total other components that will be reclassified subsequently to Separate Consolidated Income Statement	**(k=f+g+h+i)**	**38**	**(446)**
Total other components of the Consolidated Statement of Comprehensive Income	**(m=e+k)**	**47**	**(421)**
Total comprehensive income (loss) for the period	**(a+m)**	**9**	**(924)**
Attributable to:			
Owners of the Parent		**(97)**	**(905)**
Non-controlling interests		106	(19)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Changes from January 1, 2024 to June 30, 2024

	Equity attributable to owners of the Parent										
(million euros)	Share capital	Additional paid-in capital	Reserve for financial assets measured at fair value through other comprehensive income	Reserve for hedging instruments	Reserve for exchange differences on translating foreign operations	Reserve for remeasurements of employee defined benefit plans (IAS 19)	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	Other reserves and retained earnings (accumulated losses), including profit (loss) for the period	**Total**	**Equity attributable to non-controlling interests**	**Total Equity**
December 31, 2023	**11,620**	**575**	**(22)**	**(80)**	**(1,959)**	**(79)**	**—**	**3,591**	**13,646**	**3,867**	**17,513**
Changes in equity during the period:											
Dividends approved	—	—	—	—	—	—	—	—	**—**	(110)	**(110)**
Total comprehensive income (loss) for the period	—	—	1	7	(284)	17	—	(646)	**(905)**	(19)	**(924)**
LTI granting of treasury shares	4	—	—	—	—	—	—	(4)	**—**	—	**—**
Other movements	—	(575)	—	—	—	—	—	576	**1**	6	**7**
Balance at June 30, 2024	**11,624**	**—**	**(21)**	**(73)**	**(2,243)**	**(62)**	**—**	**3,517**	**12,742**	**3,744**	**16,486**

Changes from January 1, 2025 to June 30, 2025 Note 13

	Equity attributable to owners of the Parent										
(million euros)	Share capital	Additional paid-in capital	Reserve for financial assets measured at fair value through other comprehensive income	Reserve for hedging instruments	Reserve for exchange differences on translating foreign operations	Reserve for remeasurements of employee defined benefit plans (IAS 19)	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	Other reserves and retained earnings (accumulated losses), including profit (loss) for the period	**Total**	**Equity attributable to non-controlling interests**	**Total Equity**
December 31, 2024	**11,624**	**—**	**(6)**	**(76)**	**(2,439)**	**(66)**	**—**	**2,920**	**11,957**	**1,404**	**13,361**
Changes in equity during the period:											
Dividends approved	—	—	—	—	—	—	—	—	**—**	(164)	**(164)**
Total comprehensive income (loss) for the period	—	—	15	25	(5)	—	—	(132)	**(97)**	106	**9**
Other movements	—	—	—	—	—	—	—	(1)	**(1)**	(6)	**(7)**
Balance at June 30, 2025	**11,624**	**—**	**9**	**(51)**	**(2,444)**	**(66)**	**—**	**2,787**	**11,859**	**1,340**	**13,199**

CONSOLIDATED STATEMENT OF CASH FLOWS

(million euros)	notes	1st Half 2025	1st Half 2024
Cash flows from operating activities:			
Profit (loss) from continuing operations		4	172
Adjustments for:			
Depreciation and amortization		1,473	1,570
Impairment losses (reversals) on non-current assets (including investments)		—	14
Net change in deferred tax assets and liabilities		(29)	13
Losses (gains) realized on disposals of non-current assets (including investments)		(3)	(3)
Share of losses (profits) of associates and joint ventures accounted for using the equity method		11	13
Change in employee benefits		3	18
Change in inventories		(5)	(25)
Change in trade receivables and other net receivables		(89)	71
Change in trade payables		(575)	(460)
Net change in income tax receivables/payables		18	24
Net change in miscellaneous receivables/payables and other assets/liabilities		148	447
Cash flows from (used in) operating activities	**(a)**	**956**	**1,854**
Cash flows from investing activities:			
Purchases of intangible, tangible and right of use assets on a cash basis		(946)	(1,132)
Capital grants received		—	8
Acquisition of control of companies or other businesses, net of cash acquired		—	(2)
Acquisitions/disposals of other investments		(18)	(23)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1)	84	388
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of		—	—
Proceeds from sale/repayments of intangible, tangible and other non-current assets		1	(23)
Cash flows from (used in) investing activities	**(b)**	**(879)**	**(784)**
Cash flows from financing activities:			
Change in current financial liabilities and other		241	(150)
Proceeds from non-current financial liabilities (including current portion)		—	1,870
Repayments of non-current financial liabilities (including current portion)		(1,630)	(3,776)
Changes in hedging and non-hedging derivatives		8	(8)
Share capital proceeds/reimbursements (including subsidiaries)		—	—
Dividends paid(*)		(85)	(86)
Changes in ownership interests in consolidated subsidiaries		(8)	(8)
Cash flows from (used in) financing activities	**(c)**	**(1,474)**	**(2,158)**
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	**(d)**	**(54)**	**(1,184)**
Aggregate cash flows	**(e=a+b+c+d)**	**(1,451)**	**(2,272)**
Net cash and cash equivalents at the beginning of the period	**(f)**	**2,924**	**2,912**
Net foreign exchange differences on net cash and cash equivalents	**(g)**	(1)	(44)
Net cash and cash equivalents at the end of the period	**(h=e+f+g)**	**1,472**	**596**
(*) of which from related parties		—	—

(1) This item includes investments in marketable securities of 996 million euros in the first half of 2025 (1,234 million euros in the first half of 2024) and redemptions of marketable securities of 1,133 million euros in the first half of 2025 (1,598 million euros in the first half of 2024), relating to TIM S.A. and Telecom Italia Finance S.A..

Purchases of intangible, tangible and right of use assets

(million euros)	notes	1st Half 2025	1st Half 2024
Purchase of intangible assets	5)	(382)	(386)
Purchase of tangible assets	6)	(431)	(530)
Purchase of right of use assets	7)	(337)	(370)
Total purchase of intangible, tangible and rights of use assets on an accrual basis(*)		(1,150)	(1,286)
Change in payables arising from purchase of intangible, tangible and right of use assets		204	154
Total purchases of intangible, tangible and rights of use assets on a cash basis		(946)	(1,132)
(*) of which from related parties		—	27

Additional Cash Flow information

(million euros)	1st Half 2025	1st Half 2024
Income taxes (paid) received	(38)	(16)
Interest expense paid	(584)	(1,180)
Interest income received	177	378
Dividends received	2	1

Analysis of Net Cash and Cash Equivalents

(million euros)	1st Half 2025	1st Half 2024
Net cash and cash equivalents at beginning of the period:		
Cash and cash equivalents	2,924	2,912
Bank overdrafts repayable on demand	—	—
	2,924	**2,912**
Net cash and cash equivalents at end of the period:		
Cash and cash equivalents	1,480	661
Bank overdrafts repayable on demand	(8)	(65)
	1,472	**596**

The supplementary disclosures required by IAS 7 are provided in Note 15 "Net financial debt".

NOTE 1
FORM, CONTENT AND OTHER GENERAL INFORMATION

Form and content

Telecom Italia S.p.A. (the "**Parent Company**"), also known in short as "TIM S.p.A.", and its subsidiaries form the "**TIM Group**" (the "**Group**").

TIM is a joint-stock company (S.p.A.) organized under the laws of the Republic of Italy.

The registered offices of the Parent, TIM, are located in Milan, Italy at Via Gaetano Negri 1.

The duration of TIM S.p.A., as stated in the company's bylaws, extends until December 31, 2100.

The TIM Group operates mainly in Europe, the Mediterranean Basin and South America.

The Group is engaged principally in the communications sector and, particularly, the fixed and mobile national and international telecommunications sector. Moreover, following the amendment of the Articles of Association, passed by resolution of the Shareholders' Meeting on June 24, 2025, TIM S.p.A. may also operate in sectors such as energy, gas, financial products and insurance, subject to having the appropriate legal authorisations.

The TIM Group's Half-Year Condensed Consolidated Financial Statements at June 30, 2025, have been prepared on a going concern basis (further details are provided in Note 2 - "Accounting Policies") and in accordance with the recognition and measurement criteria of the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (designated as "IFRS"), as well as laws and regulations in force in Italy.

In addition, the TIM Group's Half-Year Condensed Consolidated Financial Statements at June 30, 2025 have been prepared in accordance with IAS 34 (Interim Financial Statements) and, as permitted by this standard, they do not include all information required by annual consolidated financial statements; therefore, they should be read together with the TIM Group's consolidated financial statements prepared for the year 2024.

In the first six months of 2025, the Group adopted accounting policies consistent with those of the previous year, except for the changes to the accounting standards issued by the IASB and in force as of January 1, 2025. See Note 2 - "Accounting Policies" for more details.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit and loss, and derivative financial instruments, which have been measured at fair value. The carrying amounts of hedged assets and liabilities have been adjusted to reflect the changes in fair value of the hedged risks (fair value hedge).

In accordance with IAS 1 (Presentation of Financial Statements) comparative information included in the consolidated financial statements refers, unless otherwise indicated, to the previous year.

In addition, the results for activities relating to the Sparkle Group – which develops fiber optic networks for international wholesale customers – is classified as an Asset Held for Sale under IFRS 5, as all conditions necessary for the full sale of the investment held in TI Sparkle and the exit of the Sparkle Group from the scope of consolidation of the TIM Group (Domestic). For comparative purposes only, the consolidated profit and loss figures and the consolidated cash flow figures published in the Half-Year Condensed Consolidated Financial Statements at Jund 30, 2024, have been appropriately reclassified as required by IFRS 2024. In addition, as permitted by IFRS 5, the profit and loss and balance sheet totals relating to continuing operations also include the values of any held-for-sale assets (Sparkle Group).

For details on the Sparkle Group transaction, please refer to the description in Note 12 "Discontinued operations/non-current assets held for sale."

The TIM Group's Half-Year Condensed Consolidated Financial Statements at June 30, 2025 are expressed in euro (rounded to the nearest million unless otherwise indicated).

The TIM Group's Half-Year Condensed Consolidated Financial Statements at June 30, 2025 was approved by resolution of the Board of Directors on August 5, 2025.

The Half-Year Condensed Consolidated Financial Statements at June 30, 2025 have undergone a limited scope audit.

Financial statement formats

The financial statement formats adopted are consistent with those indicated in IAS 1. More specifically:

- the **Consolidated Statements of Financial Position** has been prepared by classifying assets and liabilities according to the "current and non-current" criterion;
- the **Separate Consolidated Income Statements** have been prepared by classifying operating costs by nature of expense as this form of presentation is considered more appropriate and representative of the specific business of the Group, conforms to internal reporting, and is in line with the TIM Group's industrial sector.

In addition to EBIT or Operating profit (loss), the Separate Consolidated Income Statements include the alternative performance measure of EBITDA or Operating profit (loss) before depreciation and amortization, Capital gains (losses) and Impairment reversals (losses) on non-current assets.

In particular, besides EBIT, EBITDA is used by TIM as the financial target in internal presentations (business plans) and in external presentations (to analysts and investors). This indicator represents a useful unit of measurement for assessing the operating performance of the Group (as a whole and at Business Unit level).

EBIT and EBITDA are calculated as follows:

Profit (loss) before tax from continuing operations	
+	Finance expenses
-	Finance income
+/-	Other expense (income) from investments
+/-	Share of profits (losses) of associates and *joint ventures* accounted for using the equity method
EBIT – Operating profit	
+/-	Impairment losses (reversals) of non-current assets
+/-	Capital losses (gains) from non-current assets
+	Depreciation and amortization
EBITDA - Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current	

- the **Consolidated statements of comprehensive income** include the profit or loss for the year as shown in the Separate Consolidated Income Statement and all other non-owner changes in equity;
- the **Consolidated Statement of Cash Flows** have been prepared by presenting cash flows from operating activities according to the "indirect method", as permitted by IAS 7 (Statement of Cash Flows).

Furthermore, as required by Consob Resolution 15519 of July 27, 2006, in the separate consolidated income statement, income and expenses relating to transactions which by nature do not occur during normal operation (non-recurring transactions) have been specifically identified and their impacts on the main intermediate levels have been shown separately, when they are significant. Specifically, non-recurring income/(expenses) include, for instance: income/expenses arising from the sale of property, plant and equipment, business segments and investments; expenses stemming from company reorganization and streamlining processes and projects, also in connection with corporate transactions (mergers, spin-offs, etc.); expenses resulting from litigation and regulatory sanctions and related liabilities; other provisions and related reversals; costs for the settlement of disputes other than regulatory disputes; adjustments, realignments and other non-recurring items, also relating to previous years; impairment losses on goodwill and/or other intangible and tangible assets.

Also in reference to the above Consob Resolution, the amounts relating to balances or transactions with related parties have been shown separately in the consolidated financial statements.

Segment reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources (for the TIM Group, the Board of Directors of the Parent) to be allocated to the segment and assess its performance; and
- for which separate financial information is available.

The TIM Group operating segments are in line with and continuing on from the information given in the Consolidated Annual Financial Report at December 31, 2024, are represented for the part relating to the telecommunications business, on the basis of the related geographic location (Domestic and Brazil). In addition, the results for activities relating to the Sparkle Group – which develops fiber optic networks for international wholesale customers – are classified as Assets Held for Sale under IFRS 5, as all conditions necessary for the completion of the sale have been met.

The term "operating segment" is considered synonymous with "Business Unit".

The operating segments of the TIM Group are as follows:

- **Domestic**: includes the activities in Italy relating to voice and data services on fixed and mobile networks for end users (retail) and other operators (MVNOs)), the operations of Noovle S.p.A. (Cloud and Edge Computing solutions), the activities of Olivetti (products and services for Information Technology), and, Domestic sector support structures;
- **Brazil**: includes mobile and fixed telecommunications operations in Brazil (TIM S.A.);
- **Other operations**: include the financial companies (Telecom Italia Capital S.A. and Telecom Italia Finance S.A.) and other minor companies not strictly related to the TIM Group's core business.

The TIM Group has embarked on a transformation process which aims to overcome the Group's vertically integrated model by forming separate entities with different industrial and economic focuses. To date, these entities cannot be considered an "operating segment" within the meaning of IFRS 8 – Operating Segments, since these are still in an analytical design and subsequent implementation phase and, therefore, do not have a detailed set of economic and financial information.

In the course of 2025, once this process has been brought to completion, an assessment will be completed to identify the operating segments in accordance with IFRS 8, with reference to the specific indications provided for by the standard itself (autonomy of operating flows, methods of allocating financial resources, management reporting, etc.).

NOTE 2
ACCOUNTING POLICIES

Going concern

The Half-Year Consolidated Financial Statements at June 30, 2025 have been prepared on a going concern basis, as there is the reasonable expectation that TIM will continue conducting its business in the foreseeable future (and, in any event, over a period of at least twelve months).

In particular, the following factors have been taken into consideration:

- the main risks and uncertainties (that are for the most part of an external nature) to which the Group and the various activities of the TIM Group are exposed:
    - variations in business conditions, also related to competition;
    - technological risks such as cyber security, ICT network development and maintenance, artificial intelligence;
    - financial risks (interest rate and/or exchange rate trends, changes in the Group's credit rating by rating agencies);
    - changes in the international geopolitical landscape and the Italian, European and Brazilian economies, as well as financial market volatility due to inflationary risks;
    - risks in the supply chain of products and services including the exclusive wholesale supply of connectivity by the supplier FiberCop;
    - changes in the legislative and regulatory context (changes in prices and tariffs or decisions that may influence technological choices); and
    - the outcome of the legal and regulatory authority proceedings;
- the optimal mix between risk capital and debt capital, as well as the policy for the remuneration of risk capital, as described in the section "Share capital information" under the Note "Equity" in the Consolidated Financial Statements for the year ended December 31, 2024;
- the policy for financial risk management (market risk, credit risk and liquidity risk), as described in the Note "Financial risk management" in the Consolidated Financial Statements for the year ended December 31, 2024.

Based on these factors, the Management believes that, at the present time, there are no elements of uncertainty regarding the Group's ability to continue as a going concern.

Accounting policies and Principles of consolidation

The accounting policies and consolidation principles adopted for the preparation of the Half-Year Condensed Consolidated Financial Statements at June 30, 2025 are consistent with those applied for Consolidated Financial Statements for the year ended December 31, 2024, to which reference should be made, except for:

- the amendments to the standards issued by the IASB and adopted starting from January 1, 2025, as described below;
- the adaptations required by the nature of figures.

Moreover, in the Half-Year Condensed Consolidated Financial Statements at June 30, 2025, income taxes for the period of individual consolidated companies were determined based on the best possible estimate in relation to available information and the reasonable forecast of operating performance at the end of the tax period. As is conventional, the tax liabilities (current and deferred) on income of each consolidated company for the interim period are posted in "Deferred tax liabilities" net of advances and tax credits (only those for which no reimbursement has been requested) and net of deferred tax assets; if this balance is positive, it is posted in "Deferred tax assets", as is conventional.

Use of accounting estimates

By adopting IFRS standards in its preparation of the Half-Year Condensed Consolidated Financial Statements at June 30, 2025 and the notes to those financial statements, the Management is required to make some estimates and assumptions on its subjective judgments, past experience and assumptions considered reasonable and realistic in relation to the information known at the time of the estimate. These estimates have an effect on the values of balance sheet assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date, as well as the revenues and expenses posted in the reporting period. Actual results may differ, sometimes even significantly, from these estimates as a result of possible changes in the factors considered when determining these estimates. Estimates are reviewed periodically.

With regard to the most significant accounting estimates, reference should be made to those illustrated in the annual consolidated financial statements for the year ended December 31, 2024.

New standards and interpretations endorsed by the EU and in force from January 1, 2025

As required by IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the following is a brief description of the IFRS in force commencing as of January 1, 2025.

Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates

On November 12, 2024, Regulation (EU) No. 2024/2862 was enacted, implementing into law certain amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates.

The amendments clarify how an entity should operate/calculate and how it should determine the spot exchange rate if an exchangeable currency shows a lack of exchangeability (a relatively uncommon situation but one that may arise, for example, when authorities impose controls on currencies that prohibit their exchange or limit their transaction volume). In addition, the amendments require disclosures enabling users of financial statements to understand the impact of a currency that is not exchangeable.

New Standards and Interpretations issued by IASB but not yet endorsed by the EU

There are no new Standards and Interpretations issued by IASB but not yet endorsed by the EU

New Standards and Interpretations issued by the IASB but not yet applicable

At the date of preparation of these consolidated financial statements, the IASB had issued the following new Standards and Interpretations which have not yet come into force:

	Mandatory application starting from
New Standards and Interpretations not yet endorsed by the EU	
IFRS 18 – Presentation and Disclosure in Financial Statements	1/1/2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1/1/2027
New Standards and Interpretations endorsed by the EU	
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1/1/2026
Annual Amendments to IFRS - Volume 11	1/1/2026
Nature-dependent electricity contracts: Amendments to IFRS 9 and IFRS 7	1/1/2026

Any impacts on the Group's consolidated financial statements resulting from the application of these new Standards/ Interpretations are currently being assessed; However, it is considered that they are not significant with respect to financial and economic results.

NOTE 3
SCOPE OF CONSOLIDATION

The changes in the scope of consolidation at June 30, 2025 compared to December 31, 2024 are listed below.

Entry/exit/merger of subsidiaries into/out of the scope of consolidation:

Company		Business Unit	Month
Exit:			
OLIVETTI PAYMENT SOLUTIONS S.p.A.	Liquidated	Domestic	January 2025
CD FIBER S.r.l.	Liquidated	Domestic	February 2025
TI SPARKLE SLOVAKIA S.R.O.	Liquidated	Domestic	June 2025
Merger:			
TS-WAY S.r.l.	Merged into Telsy S.p.A.	Domestic	June 2025

In addition to the above, other changes in the scope of consolidation at June 30, 2025 compared to June 30, 2024 are listed below.

Entry/exit/merger of subsidiaries into/out of the scope of consolidation:

Company		Business Unit	Month
Entry:			
SPARKLE COMMUNICATIONS INDIA PRIVATE Ltd	Newly incorporated	Domestic	July 2024
Exit:			
FIBERCOP S.p.A.	Sold	Domestic	July 2024
TELENERGIA S.r.l.	Sold	Domestic	July 2024

In particular, on July 1, 2024, TIM S.p.A. transferred the Business Unit –consisting of the activities relating to the primary network and the wholesale business as well as the entire shareholding in the subsidiary Telenergia S.r.l. – to FiberCop S.p.A., a company that already managed the activities relating to the secondary fiber and copper network; concurrent with the transfer, TIM S.p.A. sold its entire stake in the share capital of FiberCop S.p.A. to Optics Bidco S.p.A. (a subsidiary of Kohlberg Kravis Roberts & Co. L.P. ("KKR")).

The breakdown by number of subsidiaries, joint ventures and associates of the TIM Group is as follows:

	6/30/2025		
Companies:	**Italy**	**Outside Italy**	**Total**
subsidiaries consolidated line-by-line	12	43	55
joint ventures accounted for using the equity method	2	—	2
associates accounted for using the equity method	7	1	8
Total companies	**21**	**44**	**65**

	12/31/2024		
Companies:	**Italy**	**Outside Italy**	**Total**
subsidiaries consolidated line-by-line	15	44	59
joint ventures accounted for using the equity method	2	—	2
associates accounted for using the equity method	7	1	8
Total companies	**24**	**45**	**69**

Companies:	Italy	6/30/2024 Outside Italy	Total
subsidiaries consolidated line-by-line	17	43	60
joint ventures accounted for using the equity method	2	—	2
associates accounted for using the equity method	10	1	11
Total companies	**29**	**44**	**73**

Further details are provided in the Note 34 "List of companies of the TIM Group".

NOTE 4
GOODWILL

In the first half of 2025, goodwill was broken down as follows:

(million euros)	12/31/2024	Discontinued Operations	Increase	Decrease	Impairments	Exchange differences and other changes	6/30/2025
Domestic	**10,185**					(1)	**10,184**
Brazil	**845**					5	**850**
Other Operations	—						—
Total	**11,030**	**—**	**—**	**—**	**—**	**4**	**11,034**

During the first half of 2025, Goodwill increased by 4 million euros from 11,030 million euros at the end of 2024 to 11,034 million euros at June 30, 2025, mainly due to positive exchange differences relating to the Goodwill attributed to the Brazil Cash Generating Unit (the spot exchange rate used to convert the Brazilian real into euros increased from 6.43318 per 1 euro at December 31, 2024 to 6.39572 per 1 euro at June 30, 2025).

In accordance with IAS 36, goodwill is not subject to amortization, but is tested for impairment at least on an annual basis, when preparing the company's consolidated financial statements. Moreover, if specific trigger events occur that could lead to a presumption that Goodwill has suffered impairment, impairment testing is also carried out during the preparation of the interim financial statements.

The Company, in accordance with its business procedures and the relevant accounting standards,checked for trigger events when preparing the half-yearly report at June 30, 2025 .

With reference to the Domestic CGU in particular, it was noted among other things that, during the first half of 2025:

- TIM's share price had increased significantly in both absolute and relative (comparable) terms;
- the final results of the Domestic CGU were better than in the planned scenario;
- the consensus forecasts of external financial analysts resulted in estimates for the Domestic CGU that are consistent with those assumed by management;
- there is no evidence of an increase in the discount rate compared to the level taken into account at December 31, 2024;
- the major rating agencies either raised or maintained the rating they had assigned to the TIM Group.

In addition, the share price attributable to the Brazil CGU, whose recoverable value at December 31, 2024 had been estimated on a market cap basis, had increased significantly.

In light of the tests carried out, there were no indications of impairment of Goodwill at June 30, 2025, and it was therefore not necessary to perform any specific impairment tests.

NOTE 5
INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The breakdown and movements are as follows:

(million euros)	12/31/2024	Discontinued Operations	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	6/30/2025
Industrial patents and intellectual property rights	**1,565**	(32)	326	(427)			1	210	**1,643**
Concessions, licenses, trademarks and similar rights	**4,006**		9	(233)			9	3	**3,794**
Other intangible assets with a finite useful life	**41**			(4)				(8)	**29**
Work in progress and advance payments	**399**	(24)	47					(209)	**213**
Total	**6,011**	**(56)**	**382**	**(664)**	**—**	**—**	**10**	**(4)**	**5,679**

Investments for the first half of 2025 include 85 million euros of internally generated assets.

Industrial patents and intellectual property rights essentially consist of the plant operation and application software purchased outright and user license, amortized over a period between 2 and 6 years and relating mainly to TIM S.p.A. (1,039 million euros), the Brazil Business Unit (408 million euros) and Noovle S.p.A. (149 million euros).

Concessions, licenses, trademarks and similar rights mainly refer to the residual cost of telephone licenses and similar rights (2,516 million euros for TIM S.p.A. and 1,238 million euros for the Brazil Business Unit).

Work in progress and advance payments mainly relate to TIM S.p.A. (144 million euros) and the Brazil Business Unit (41 million euros) and refer mainly to software developments.

NOTE 6
TANGIBLE ASSETS

Property, plant and equipment owned

The breakdown and movements are as follows:

(million euros)	12/31/2024	Discontinued Operations	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	6/30/2025
Land	**46**	(5)							**41**
Buildings (civil and industrial)	**244**	(20)		(5)					**219**
Plant and equipment	**3,521**	(248)	238	(467)		(2)	11	167	**3,220**
Manufacturing and distribution equipment	**4**			(1)					**3**
Other goods	**259**	(3)	43	(68)		(1)		23	**253**
Construction in progress and advance payments	**486**	(58)	150				1	(188)	**391**
Total	**4,560**	**(334)**	**431**	**(541)**	**—**	**(3)**	**12**	**2**	**4,127**

Investments for the first half of 2025 include 50 million euros of internally generated assets.

Land comprises both built-up land and available land and is not subject to depreciation. The balance as of June 30, 2025 refers mainly to the Domestic Business Unit (35 million euros).

Buildings (civil and industrial) mainly includes buildings for industrial use hosting data centers. Specifically, the balance as of June 30, 2025 refers mainly to Noovle S.p.A. (209 million euros).

Plant and equipment mainly includes transmission and power systems and equipment, data network and switching, and radio base stations (RBS) infrastructure and commercial products. The amount at June 30, 2025 was mainly attributable to the Brazil Business Unit (1,802 million euros) and the Domestic Business Unit for (1,418 million euros).

Manufacturing and distribution equipment mainly included the equipment needed for the infrastructural completion of Telsy S.p.A. laboratories.

Other mainly consists of hardware for the functioning of the network and for work stations, furniture and fixtures and, to a minimal extent, transport vehicles and office machines.

Construction in progress and advance payments refer to the internal and external costs incurred for the acquisition and internal production of tangible assets, which are not yet in use.

NOTE 7
RIGHTS OF USE ASSETS

The breakdown and movements are as follows:

(million euros)	12/31/2024	Discontinued Operations	Investments	Increases in lease contracts	Depreciation and amortization	Disposals	Exchange differences	Other changes	6/30/2025
Property	**864**	(18)	—	80	(63)	(3)	2	(10)	**852**
Plant and equipment	**2,465**	(150)		226	(196)	(8)	6	(20)	**2,323**
Other tangible assets	**45**	—		6	(7)	(1)			**43**
Construction in progress and advance payments	**52**	(1)	21					(1)	**71**
Intangible assets	**41**	(37)		4	(2)				**6**
Total	**3,467**	**(206)**	**21**	**316**	**(268)**	**(12)**	**8**	**(31)**	**3,295**

Capital expenditures in the first half of 2025 refer to the Domestic Business Unit and mainly relate to the acquisition by the Parent Company TIM S.p.A. of backhaul IRU capacity and other rights of use under the Master Service Agreement in place with Fibercop S.p.A..

The increases in leases, equal to 316 million euros, refer to the Brazil Business Unit (277 million euros) and the Domestic Business Unit (39 million euros)..

These increases include the higher value of user rights entered following new lease contracts payables, increase of lease payments and renegotiations of existing contracts. In accordance with IFRS 16 (Leases), in view of such increases, lease liabilities are presented through the recognition of a financial liability in the statement of financial position at the present value of future lease payments, against the recognition of a rights-of-use asset of the leased asset.

The disposals are representative of the carrying amount of the assets from lease agreements that terminated early.

Other changes refer mainly to changes related to the lower value of rights of use recorded as a result of contractual changes during the period and also include transfers in operation.

Property includes buildings and land under finance leases and the related building adaptations, attributable to the Brazil Business Unit (520 million euros) and the Domestic Business Unit (332 million euros).

Plant and equipment mainly includes rights of use on infrastructures for telecommunications services. They refer to the Brazil Business Unit for 1,205 million euros and the Domestic Business Unit for 1,118 million euros. This includes, inter alia:

- the recognition of the value of the telecommunications towers sold by the TIM Brasil group to American Tower do Brasil and subsequently repurchased in the form of a finance lease;
- the value of the rights of use (at fair value) to the B2B connections, paid by the parent TIM S.p.A. in 2024 part consideration in the NetCo transaction.

Other tangible assets mainly comprises the leases on motor vehicles.

The item **Intangible assets** mainly includes the right of use of the subsidiary Telsy for the use of a cloud computing platform created for the exclusive benefit of the company for the exercise of security services.

NOTE 8
INVESTMENTS

Investments in associates and joint ventures accounted for using the equity method are reported **below in detail:**

(million euros)		6/30/2025	12/31/2024
I-Systems S.A.		206	213
W.A.Y. S.r.l.		3	3
Total Associates	**(a)**	**209**	**216**
TIMFin S.p.A.		32	31
Polo Strategico Nazionale S.p.A.		14	18
Total Joint Ventures	**(b)**	**46**	**49**
Total investments accounted for using the equity method	**(a+b)**	**255**	**265**

The changes to the item **Investments in associates and joint ventures accounted for using the equity method** during the first half of 2025, are as follows:

(million euros)	12/31/2024	Investments	Disposals and reimbursements of capital	Valuation using equity method	Other changes	6/30/2025
I-Systems S.A.	213			(8)	1	**206**
W.A.Y. S.r.l.	3					**3**
Total Associates	**216**	**—**	**—**	**(8)**	**1**	**209**
TIMFin S.p.A.	31			1		**32**
Polo Strategico Nazionale S.p.A.	18			(4)		**14**
Total Joint Ventures	**49**	**—**	**—**	**(3)**	**—**	**46**
Total investments accounted for using the equity method	**265**	**—**	**—**	**(11)**	**1**	**255**

"Other changes" refer to the exchange differences connected with the investment in the related Brazilian company I-Systems S.A.

The list of investments accounted for using the equity method is presented in the Note 34 "List of companies of the TIM Group".

Other holdings are detailed as follows:

(million euros)	6/30/2025	12/31/2024
Upload Ventures Growth LP	52	33
Fin.Priv. S.r.l.	41	32
SECO S.p.A.	24	19
UV T-Growth	21	16
Northgate CommsTech Innovations Partners L.P.	12	12
Other	12	13
Banco C6 S.A.	—	25
Total	**162**	**150**

In relation to the investment in Banco C6 S.A., on February 11, 2025, TIM S.A. – a Brazilian subsidiary of the TIM Group – and Banco C6 S.A. entered into an agreement to end all disputes related to the partnership between the two companies and, consequently, to resolve the arbitration proceedings pending. During the partnership period, TIM S.A. had obtained the right to a minority stake in the bank's capital of 6.06%, of which 4.62% was held in the form of subscription options (derivatives) and 1.44% as a shareholding in Banco C6 S.A.. The agreement signed also provided for the termination of the partnership, as well as the transfer of all shares held by TIM S.A. in Banco C6 S.A. and all outstanding subscription options, for an amount of 520 million Brazilian reais (before taxes).

At June 30, 2025, the TIM Group had a subscription commitment for units:

- of the UV T-Growth fund in the amount of 32 million euros;
- in the Northgate CommsTech Innovations Partners L.P. fund for USD 2.6 million, equal to approximately 2.2 million euros at the exchange rate as at June 30, 2025.

NOTE 9
NON-CURRENT AND CURRENT FINANCIAL ASSETS

Non-current and current financial assets were broken down as follows:

(million euros)		6/30/2025	12/31/2024
Other non-current financial assets			
Securities other than investments		—	—
Receivables from employees		8	11
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		403	554
Non-hedging derivatives		—	81
Other financial receivables		—	—
		411	**646**
Financial receivables for lease contracts		**38**	**40**
Total non-current financial assets	**(a)**	**449**	**686**
Securities other than investments, other financial receivables and other current financial assets			
Securities other than investments			
Measured at amortized cost (AC)		—	—
Measured at Fair Value Through Comprehensive Income (FVTOCI)		1,009	1,116
Measured at Fair Value Through Profit or Loss (FVTPL)		432	423
		1,441	**1,539**
Financial receivables and other current financial assets			
Receivables from employees		3	3
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature		28	32
Non-hedging derivatives		76	75
Other short-term financial receivables		627	2
		734	**112**
	(b)	**2,175**	**1,651**
Financial receivables for lease contracts	**(c)**	**38**	**44**
Cash and cash equivalents	**(d)**	**1,442**	**2,924**
Total current financial assets	**e=(b+c+d)**	**3,655**	**4,619**
Financial assets relating to Discontinued operations/Non-current assets held for sale	**(f)**	**111**	**—**
Total non-current and current financial assets	**g=(a+e+f)**	**4,215**	**5,305**

Further details on Financial Instruments are provided in Note 20 "Supplementary disclosures on financial instruments".

Financial receivables for lease contracts refer to:

- finance leases on user rights and equipment;
- agreements for the sale of network infrastructure in IRU with deferred collection over time recognized using the financial method envisaged by IFRS 16 given the contractual term substantially close to the economic life of the asset;
- lease contracts for commercial products with customers.

Hedging derivatives related to hedged items classified as non-current and current assets of a financial nature include the spot mark-to-market valuation components of cash flow and fair value hedge derivatives and accrued income on these contracts.

Non-hedging derivatives classified as current assets of a financial nature mainly refer to the Brazil Business Unit (68 million euros).
Further details are provided in the Note 19 "Derivatives".

Other short-term financial receivables include credit lines that TIM S.p.A. (495 million euros) and the Luxembourg companies (56 million euros) have in place with Discontinued Operations. In addition, on February 11, 2025, an agreement was signed whereby Banco C6 S.A. undertook to purchase its treasury shares as well as its outstanding subscription options from TIM S.A. for 520 million Brazilian reais. A total of 52 million Brazilian reais have been settled in cash to date, while the remaining 468 million Brazilian reais (equivalent to 73 million euros at June 30, 2025) have been reclassified from “other investments” and non-hedging derivatives to other short-term financial receivables. The transaction is expected to be completed by the end of 2025.

Securities other than investments included in current financial assets relate to:

- 1,009 million euros of listed securities, of which 437 million euros of Italian and foreign treasury bonds purchased by Telecom Italia Finance S.A. as well as 572 million euros of bonds purchased by Telecom Italia Finance S.A. with different maturities, all with an active market and consequently readily convertible into cash. Under IFRS 9 and consistently with the Business model, such securities are classified as financial assets measured at fair value through other comprehensive income (FVTOCI). The purchases of the above government bonds, which, pursuant to Consob Communication no. DEM/11070007 of August 5, 2011, represent investments in “Sovereign debt securities”, have been made in accordance with the Guidelines for the “Management and control of financial risk” adopted by the TIM Group;
- 432 million euros of investments in monetary funds by the Brazil Business Unit, which, under IFRS 9, are classified as financial assets measured at fair value through profit or loss (FVTPL).

Further details are provided in Note 2 “Accounting policies”.

Cash and cash equivalents amounted to 1,442 million euros (2,924 million euros at December 31, 2024) and were broken down as follows:

(million euros)	6/30/2025	12/31/2024
Liquid assets with banks, financial institutions and post offices	948	2,428
Securities other than investments (due within 3 months)	466	496
Other financial receivables	28	—
Total	**1,442**	**2,924**

The different technical forms of use of available cash at June 30, 2025 had the following characteristics:

- maturities: investments have a maximum maturity of three months;
- counterparty risk: deposits are made with leading high-credit-quality banks and financial institutions with a rating of at least BBB and a non-negative outlook regard to Europe, and with leading local counterparts with regard to investments in South America;
- Country risk: deposits are made mainly in major European financial markets.

Securities other than investments (due within 3 months) included 466 million euros (496 million euros at December 31, 2024) of Brazilian bank certificates of deposit (*Certificado de Depósito Bancário*) held by the Brazil Business Unit with premier local banking and financial institutions.

Other financial receivables refer to the cash-pooling arrangements that TIM S.p.A. (15 million euros) and the Luxembourg companies (13 million euros) have in place with Discontinued Operations.

NOTE 10

MISCELLANEOUS RECEIVABLES AND OTHER NON-CURRENT ASSETS

These items consisted of:

(million euros)		6/30/2025	12/31/2024
Miscellaneous receivables (non-current)	**(a)**	**519**	**546**
Other non-current assets			
Deferred contract costs		1,068	1,079
Other deferred costs		130	170
	(b)	**1,198**	**1,249**
Total	**(a+b)**	**1,717**	**1,795**

Miscellaneous receivables (non-current) totaled 519 million euros (546 million euros at December 31, 2024) and included Non-current income tax receivables of 65 million euros (65 million euros at December 31, 2024).

The item includes:

- 307 million euros related to the Brazil Business Unit pertaining mainly to judicial deposits (108 million euros), indirect taxes (121 million euros) and direct taxes (35 million euros);
- 210 million euros related to the Domestic Business Unit of which 172 million euros were recorded by the Parent Company TIM S.p.A. in connection with the non-current portion of the receivable from FiberCop S.p.A. for services related to the *Master Services Agreement* (MSA), which arose as part of the NetCo transaction.

Other non-current assets amounted to 1,198 million euros (1,249 million euros at December 31, 2024). They mainly break down as follows:

- **Deferred contract costs** of 1,068 million euros (1,079 million euros at December 31, 2024), mainly related to the deferral of costs related to the activation and acquisitions of new contracts with customers. Contractual costs (mainly technical activation costs and commissions for the sales network) were deferred and charged to the separate income statements according to the expected duration of the contractual relationship with customers (on average around 4 years for the mobile business and around 8 years for the fixed-line business).

  Total (non-current and current) deferred contract costs amounted to 1,525 million euros (1,534 million euros at December 31, 2024) and break down as follows:

(million euros)	6/30/2025	12/31/2024
Deferred contract costs		
Non-current deferred contract costs	1,068	1,079
Current deferred contract costs	457	455
Total	**1,525**	**1,534**

(million euros)	6/30/2025	12/31/2024
Deferred contract costs		
Contract acquisition costs	1,203	1,210
Contract execution costs	322	324
Total	**1,525**	**1,534**

Deferred contract costs will be recognized in the income statements for future years and, in particular, for approximately 245 million euros in the second half of 2025 and for approximately 397 million euros in 2026, based on the amount at June 30, 2025 and without taking into account the new deferred portions.

(million euros)	6/30/2025	Period of recognition in the income statement					
		2nd Half 2025	FY 2026	FY 2027	FY 2028	FY 2029	After 2029
Contract acquisition costs	1,203	196	318	240	175	114	160
Contract execution costs	322	49	79	62	45	31	56
Total	**1,525**	**245**	**397**	**302**	**220**	**145**	**216**

- **Other deferred costs** amounted to 130 million euroes, mainly attributable to TIM S.p.A. and the Brazil Business Unit.

NOTE 11

TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER CURRENT ASSETS

This item consisted of:

(million euros)		6/30/2025	12/31/2024
Trade receivables	**(a)**	**2,225**	**2,309**
Miscellaneous receivables (current)			
Other receivables	**(b)**	**704**	**896**
Other current assets			
Contract assets		27	28
Deferred contract costs		457	455
Other deferred costs		654	431
Other		29	27
	(c)	**1,167**	**941**
Total	**(a+b+c)**	**4,096**	**4,146**

Trade receivables amounted to 2,225 million euros (2,309 million euros at December 31, 2024) and are stated net of the provision for bad debts of 336 million euros (388 million euros at December 31, 2024).

Trade receivables relate, in particular, to TIM S.p.A. (1,399 million euros) and the Brazil Business Unit (775 million euros).

Miscellaneous receivables (current) refer to other receivables amounting to 704 million euros (896 million euros at December 31, 2024) and are net of a provision for bad debts of 37 million euros (40 million euros at December 31, 2024). Details are as follows:

(million euros)	6/30/2025	12/31/2024
Advances to suppliers	186	157
Receivables from employees	12	7
Tax receivables	150	219
Receivables for grants from the government and public entities	15	11
Sundry receivables	341	502
Total	**704**	**896**

As at June 30, 2025, tax receivables mainly related to the Brazil Business Unit (136 million euros) and the Domestic Business Unit (13 million euros).

Receivables for grants from the government and public entities (million euros) mainly relate to projects non-network infrastructure related projects financed by the Italian Ministry of Economic Development and the European Community, particularly projects related to Emerging Technology Centers and cloud and edge computing services. Recognition of these grants in the income statement is made, in the case of capital grants, on a systematic basis over the useful life of the assets to which the grants relate or, in the case of operating grants, on a systematic basis over the periods in which the Company recognizes as costs the related expenses that the grants are intended to offset.

"Sundry receivables" specifically include receivables from TIM S.p.A. for:

- the current portion (98 million euros) of the receivable from FiberCop S.p.A. for services related to the Master Service Agreement, which arose in 2024 as part of the NetCo transaction;
- the TIM S.p.A. receivables for Universal Service (52 million euros);
- TIM S.p.A. receivables from social security and pension institutions (62 million euros);
- miscellaneous receivables of TIM S.p.A. from other TLC operators (27 million euros);
- TIM S.p.A. receivables for with-recourse assignments to factoring companies (9 million euros).

Other current assets included:

- **Contract assets**. This item mainly includes:
  - 11 million euros attributable to TIM S.p.A. due to the effect of the early recognition of revenues for those bundle contracts (such as bundles of products and services) with individual performance obligations with a different recognition timing, in which the goods recognized “at a point in time” are sold at a discounted price, or for those contracts which, by providing for a discount for a period of time shorter than the minimum contract term, require, pursuant to IFRS 15, a reallocation of the discount over the minimum contractual term. These Contract Assets are net of the related impairment provision of 1 million euros;
  - 13 million euros from TIM S.p.A., relating to the work carried out in connection with the "5G Coverage Plan" under the NRRP projects.

- **Deferred contract costs** (457 million euros; 455 million euros at December 31, 2024). Contractual costs (mainly technical activation costs and commissions for the sales network) were deferred and charged to the separate income statements according to the expected duration of the contractual relationship with customers (on average around 4 years for the mobile business and around 8 years for the fixed-line business). Further details on Deferred contract costs are provided in the Note 10 “Miscellaneous receivables and other non-current assets”.
- **Other deferred costs** mainly concern:
  - the Parent TIM S.p.A. essentially for costs relating to:
    - rental charges and other lease and rental costs (411 million euros);
    - the purchase of products and services (57 million euros);
    - after-sales expenses on application offers (38 million euros);
    - maintenance fees (5 million euros);
    - insurance premiums (3 million euros);
  - the Brazil Business Unit (64 million euros) included the deferral of the charge relating to the FISTEL telecommunications services fee (27 million euros) and other items mainly relating to maintenance contracts and marketing activities.

NOTE 12
DISCONTINUED OPERATIONS /NON-CURRENT ASSETS HELD FOR SALE

On April 14, 2025, TIM and Boost BidCo – a vehicle controlled by the Ministry of Economy and Finance (MEF) and invested in by Retelit – signed an agreement for the sale of Telecom Italia Sparkle, a company active in the development of fibre-optic networks for international wholesale customers. This agreement was based on the offer approved by TIM's Board of Directors on February 12, 2025, which had previously received the favourable opinion of the Related Parties Committee.

The agreement, the value of which was determined in accordance with the regulations for transactions with related parties, sets the enterprise value of the Telecom Italia Sparkle group at 700 million euros. The sale price will be equal to the enterprise value, adjusted by the net debt and working capital of the Telecom Italia Sparkle group at closing. The agreement allows for a price adjustment if certain targets relating to Sparkle's 2025 EBITDA are not met.

The transaction is expected to be completed by the final quarter of 2025, once preparatory activities – including obtaining Antitrust and Golden Power approvals – have been completed.

Finally, the arrangement foresees that, at closing, TIM and Sparkle will sign an agreement regulating the post-closing services that will be provided between the companies.

Since all conditions necessary for the entire sale of the investment held in Telecom Italia Sparkle and the exit of the Sparkle group from the TIM Group's scope of consolidation (Domestic) were already met, the Telecom Italia Sparkle group was classified as an "Available-for-sale asset" at June 30, 2025 in accordance with IFRS 5.

A breakdown of the Assets held for sale and the Liabilities directly related to them is given below:

(million euros)		6/30/2025
Discontinued operations /Non-current assets held for sale:		
of a financial nature		111
of a non-financial nature		1,028
Total	**(a)**	**1,139**
Liabilities directly associated with Discontinued operations/Non-current assets held for sale		
of a financial nature		615
of a non-financial nature		391
Total	**(b)**	**1,006**
Net value of Discontinued operations / Non-current assets held for sale	**(a-b)**	**133**

Assets of a financial nature are composed as follows:

(million euros)	6/30/2025
Non-current financial assets	5
Current financial assets	106
Total	**111**

Assets of a non-financial nature are composed as follows:

(million euros)	6/30/2025
Non-current assets	
Goodwill	*—*
Intangible assets with a finite useful life	*64*
Tangible assets	*350*
Rights of use assets	*207*
Other non-current assets	*68*
	689
Current assets	**339**
Total	**1,028**

Liabilities of a financial nature are composed as follows:

(million euros)	6/30/2025
Non-current financial liabilities	16
Current financial liabilities	599
Total	**615**

Liabilities of a non-financial nature are composed as follows:

(million euros)	6/30/2025
Non-current liabilities	171
Current liabilities	220
Total	**391**

The component items of "Profit (loss) from Discontinued operations/Non-current assets held for sale" within the consolidated separate income statement are as follows:

The income figures for the first half of 2024 included not only the results of the Telecom Italia Sparkle group, but also the results of NetCo, comprising the fixed network business of TIM S.p.A. and the companies FiberCop S.p.A. and Telenergia S.r.l., the sale of which was completed on July 1, 2024.

(million euros)		1st Half 2025	1st Half 2024
Economic effects of Discontinued operations / Non-current assets held for sale:			
Revenues		**353**	**1,293**
Other income		1	28
Acquisition of goods and services		(282)	(346)
Employee benefits expenses		(32)	(587)
Other operating expenses/Change in inventories/Internally generated assets		(3)	38
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**37**	**426**
Depreciation and amortization		—	(826)
Gains (losses) on disposals of non-current assets		—	—
Impairment reversals (losses) on non-current assets		(57)	—
Operating profit (loss) (EBIT)		**(20)**	**(400)**
Share of profits (losses) of associates and joint ventures accounted for using the equity method and Other income/(expenses) from investments		—	—
Net financial income/expense		(12)	(199)
Earnings before tax from Discontinued operations/Non-current assets held for sale		**(32)**	**(599)**
Income tax expense		—	(49)
Earnings after tax from Discontinued operations/Non-current assets held for sale	**(a)**	**(32)**	**(648)**
Other economic impacts:			
Other items		(1)	(27)
Other income/ (expenses) related to disposals from previous years		(9)	
	(b)	**(10)**	**(27)**
Profit (loss) from Discontinued operations / Non-current assets held for sale	**(a+b)**	**(42)**	**(675)**
Attributable to:			
Owners of the Parent		**(42)**	**(738)**
Non-controlling interests		—	63

Economic effects of “Discontinued operations / Non-current assets held for sale” mainly include:

- the total contribution of the economic result of the Telecom Italia Sparkle group (-32 million euros in the first half of 2025; -35 million euros in the first half of 2024):
- the figures for the first half of 2024 also include the loss of 640 million euros relating to the result of the fixed-network activities of TIM and of the companies FiberCop S.p.A. and Telenergia S.r.l. ("NetCo"), as well as ancillary charges for the period relating to the sale of NetCo, which was completed on July 1, 2024.

Earnings per share from Discontinued operations/Non-current assets held for sale attributable to the Shareholders of the Parent Company for the first half of 2025 and the first half of 2024:

(euros)	1st Half 2025	1st Half 2024
Basic earnings per share from Discontinued operations/Non-current assets held for sale		
ordinary share	—	(0.03)
savings share	—	(0.03)
Diluted earnings per share from Discontinued operations/Non-current assets held for sale		
ordinary share	—	(0.03)
savings share	—	(0.03)

In addition, the Consolidated Statement of Comprehensive includes:

- the change in the actuarial gains included in the Reserve for remeasurements of defined benefit plans, which in the first half of 2025 were nil (+11 million euros in the first half of 2024);
- the change in the reserve from the conversion of companies forming part of Discontinued Operations/Non-current Assets held for sale, which in the first half of 2025 was -17 million euros (+5 million euros in the first half of 2024).

Therefore, the total income from Discontinued Operations/Non-current Assets held for sale is negative 59 million in the first half of 2025 and negative 659 million in the first half of 2024.

In the Consolidated Statement of Cash Flows, the net impacts (expressed in terms of contribution to consolidation) of "Discontinued operations/Non-current assets held for sale" are detailed as follows:

(million euros)	1st Half 2025	1st Half 2024
Discontinued operations /Non-current assets held for sale:		
Cash flows from (used in) operating activities	(17)	(671)
Cash flows from (used in) investing activities	(25)	(412)
Cash flows from (used in) financing activities	(12)	(101)
Total	**(54)**	**(1,184)**

NOTE 13
EQUITY

This item consisted of:

(million euros)	6/30/2025	12/31/2024
Equity attributable to owners of the Parent	11,859	11,957
Equity attributable to non-controlling interests	1,340	1,404
Total	**13,199**	**13,361**

Equity attributable to owners of the Parent was as follows:

(million euros)	6/30/2025	12/31/2024
Share capital	11,624	11,624
Additional paid-in capital	—	—
Other reserves and retained earnings (accumulated losses), including profit (loss) for the period	235	333
Reserve for financial assets measured at fair value through other comprehensive income	9	(6)
Reserve for hedging instruments	(51)	(76)
Reserve for exchange differences on translating foreign operations	(2,444)	(2,439)
Reserve for remeasurements of employee defined benefit plans (IAS 19)	(66)	(66)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	—	—
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year	2,787	2,920
Total	**11,859**	**11,957**

In accordance with the resolution passed by the Shareholders' Meeting on June 24, 2025, the loss booked for 2024, resulting form the financial statements of the Parent Company TIM S.p.A. (1,242 million euros), was hedged by drawing down on the Legal Reserve, which amounted to 673 million euros as of June 30, 2025.

Share capital as of June 30, 2025, amounted to 11,624 million euros after discounting the treasury shares of 53 million euros.

Movements in share capital during the first half of 2025 are shown in the tables below:

Reconciliation between the number of shares outstanding at December 31, 2024 and June 30, 2025

(number of shares)		at 12/31/2024	Share assignment/ issue	at 6/30/2025	% of Share Capital
Ordinary shares Issued	(a)	15,329,466,496	—	15,329,466,496	71.78
less: treasury shares	(b)	(96,442,802)	—	(96,442,802)	
Ordinary shares outstanding	(c)	15,233,023,694	—	15,233,023,694	
Savings shares issued and outstanding	(d)	6,027,791,699	—	6,027,791,699	28.22
Total TIM S.p.A. shares issued	**(a+d)**	**21,357,258,195**	**—**	**21,357,258,195**	**100.00**
Total TIM S.p.A. shares outstanding	**(c+d)**	**21,260,815,393**	**—**	**21,260,815,393**	

Reconciliation between the value of shares outstanding at December 31, 2024 and June 30, 2025

(million euros)		Share capital at 12/31/2024	Change in share capital	Share capital at 6/30/2025
Ordinary shares Issued	(a)	8,381	—	**8,381**
less: treasury shares	(b)	(53)	—	**(53)**
Ordinary shares outstanding	(c)	8,328	—	**8,328**
Savings shares issued and outstanding	(d)	3,296	—	**3,296**
Total TIM S.p.A. share capital issued	**(a+d)**	**11,677**	**—**	**11,677**
Total TIM S.p.A. share capital outstanding	**(c+d)**	**11,624**	**—**	**11,624**

Future potential changes in share capital

Details of “Future potential changes in share capital” are presented in Note 26 “Earnings per share”.

Right of withdrawal

On June 24, 2025, the Extraordinary Shareholders' Meeting of TIM approved the resolution to amend the objects of the Company stipulated in Article 3 of its Bylaws, and therefore - pursuant to Article 2437(1)(a) of the Italian Civil Code - all holders of TIM ordinary shares who did not vote to approve this resolution and holders of savings shares were granted the right of withdrawal, exercisable by July 10, 2025.

The settlement value of ordinary and savings shares over right of withdrawal may be exercised was determined by the Board of Directors at 0.2884 euros per ordinary shares and 0.3295 euros per savings shares. This was determined in accordance with current legislation by taking the arithmetic mean of the closing stock market prices in the six months preceding the publication date of the notice calling the Shareholders' Meeting of June 24, 2025, namely on May 24, 2025.

Right of withdrawal was validly exercised over a total of 1,364,581 ordinary shares and 151,748 savings shares, representing, respectively, 0.009% and 0.003% of the share capital of the relevant categories of shares of the Company; therefore, the settlement value of the Withdrawn Ordinary Shares and the Withdrawn Savings Shares is 393,545 euros and 50,001 euros, respectively, for a total settlement value of 443,546 euros.

The entry into effect of the shareholders' resolution was subject to (i) the Golden Power Condition (as defined in the illustrative report published on the Company's website ahead of the Shareholders' Meeting of June 24, 2025) and (ii) the Maximum Disbursement Condition (as defined in the same illustrative report), whereby any cash amount paid by the Company to the shareholders exercising right of withdrawal should not exceed a total amount of 100 million euros. Both conditions precedent were met, and the shareholders' resolution has therefore entered into full effect.

Pursuant to Article 2437-quater, paragraphs 1 to 3, of the Italian Civil Code, the shares over which right of withdrawal was exercised are to be offered under option, on equal terms, to TIM shareholders proportionate to the number of shares held – without exercising the Right of Withdrawal – at the close of accounts on August 7, 2025 (the record date), as follows:

(i) holders of ordinary shares are to receive 1 (one) Withdrawn Ordinary Share for every 11,146 option rights exercised;

(ii) holders of savings shares are to receive 1 (one) Withdrawn Savings Share for every 39,712 option rights exercised.

The option offer price (the Offer Price) is equal to the abovementioned settlement value of the shares over which right of withdrawal has been exercised (0.2884 euros per withdrawn ordinary share and 0.3295 euros per withdrawn savings share).

Pursuant to Article 2437-quater, paragraph 3, of the Italian Civil Code, the parties entitled to exercise their option rights over Withdrawn Shares under the terms and conditions of the offer may – provided that they simultaneously request to do so – also exercise their right of pre-emption relating to the purchase, at the Offer price, of any Withdrawn Shares (category restrictions shall apply) that remain unexercised at the end of the Offer. Shares whose option is not exercised will be allotted to those who have exercised their pre-emption rights in full during the pre-emption phase. If the shares whose option is not exercised are insufficient to satisfy all requests, the allotment of those shares among those who have exercised their pre-emption rights will be in proportion to the number of pre-emption rights exercised by each of them. The remaining ordinary and savings shares will be allotted and distributed separately.

The acceptance period in which eligible shareholders may exercise their option to withdrawn shares as well as their pre-emption right will run from August 6, 2025 until September 12, 2025 (inclusive).

If Withdrawn Shares remain following the completion of the Offer and any exercise of pre-emption rights, the Company will assess whether these should be allocated to third parties in the permitted manner. If the Withdrawn Shares are not fully allocated following the Offer, the exercise of the pre-emption rights and any allocation to third parties, the remaining shares will be purchased by the Company using its available reserves in accordance with Article 2437-quater, paragraphs 5 and 6, of the Italian Civil Code, notwithstanding the provisions of Article 2357, paragraph 3, of the Italian Civil Code; in the absence of available profits and reserves, a resolution must be passed to reduce the Company's share capital.

TIM disclosed details about exercising the option offer (including the exercise of pre-emption rights) and any other updates by publishing notice on the Company's website www.gruppotim.it/assemblea and by other means provided by law. Notice of the option offer was also filed with the Milan Companies' Register and published in the daily newspaper Il Sole 24 Ore.

NOTE 14
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

Non-current and current financial liabilities (gross financial debt) are broken down as follows:

(million euros)		6/30/2025	12/31/2024
Non-current financial liabilities for financing contracts and others			
Financial payables (medium/long-term):			
Bonds		6,070	7,527
Amounts due to banks		649	701
Other financial payables		276	303
		6,995	**8,531**
Other medium/long-term financial liabilities:			
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		198	170
Non-hedging derivatives		22	26
Other liabilities		1	1
		221	**197**
	(a)	**7,216**	**8,728**
Non-current financial liabilities for lease contracts	**(b)**	**2,482**	**2,421**
Total non-current financial liabilities	**c=(a+b)**	**9,698**	**11,149**
Current financial liabilities for financing contracts and others			
Short-term financial liabilities:			
Bonds		2,504	2,401
Amounts due to banks		1,175	1,144
Other financial payables		210	257
		3,889	**3,802**
Other short-term financial liabilities:			
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature		37	23
Non-hedging derivatives		40	44
Other liabilities		—	1
		77	**68**
	(d)	**3,966**	**3,870**
Current financial liabilities for lease contracts	**(e)**	**490**	**523**
Total current financial liabilities	**f=(d+e)**	**4,456**	**4,393**
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale	**(g)**	**615**	**—**
Total financial liabilities (Gross financial debt)	**h=(c+f+g)**	**14,769**	**15,542**

Further details on Financial Instruments are provided in the Note 20"Supplementary disclosures on financial instruments".

Gross financial debt according to the original currency of the transaction is as follows:

	6/30/2025		12/31/2024	
	(millions in foreign currency)	(million euros)	(millions in foreign currency)	(million euros)
USD	2,029	1,731	2,044	1,967
BRL	21,308	3,332	21,258	3,304
JPY	20,049	118	20,042	123
ILS	—	—	33	9
EUR		8,973		10,139
Total		**14,154**		**15,542**
Discontinued Operations		615		—
Total		**14,769**		**15,542**

For the exchange rates used for the conversion of amounts in foreign currency, see the Note 32 "Other information".

The breakdown of gross financial debt by effective interest-rate bands applicable to the original currency is provided below, excluding the effect of any derivative hedging instruments:

(million euros)	6/30/2025	12/31/2024
Up to 2.5%	1,572	1,178
From 2.5% to 5%	4,280	5,313
From 5% to 7.5%	2,720	3,425
From 7.5% to 10%	2,207	2,265
Over 10%	2,824	2,780
Accruals/deferrals, MTM and derivatives	551	581
Total	**14,154**	**15,542**
Discontinued Operations	615	—
Total	**14,769**	**15,542**

Following the use of hedging instruments, on the other hand, gross financial debt by nominal interest rate band is as follows:

(million euros)	6/30/2025	12/31/2024
Up to 2.5%	2,263	2,103
From 2.5% to 5%	4,504	5,328
From 5% to 7.5%	2,151	2,867
From 7.5% to 10%	1,411	1,515
Over 10%	3,274	3,148
Accruals/deferrals, MTM and derivatives	551	581
Total	**14,154**	**15,542**
Discontinued Operations	615	—
Total	**14,769**	**15,542**

The maturities of financial liabilities according to the expected nominal repayment amount, as defined by contract, are the following:

	maturing by June 30 of the year:						
(million euros)	2026	2027	2028	2029	2030	After 2030	Total
Bonds	2,237	351	1,635	1,295	—	2,802	8,320
Loans and other financial liabilities	637	111	414	120	138	(23)	1,397
Finance lease liabilities	449	362	383	358	296	1,083	2,931
Total	**3,323**	**824**	**2,432**	**1,773**	**434**	**3,862**	**12,648**
Current financial liabilities	744	—	—	—	—	—	744
Total	**4,067**	**824**	**2,432**	**1,773**	**434**	**3,862**	**13,392**
Discontinued Operations	608	—	—	—	—	—	608
Total	**4,675**	**824**	**2,432**	**1,773**	**434**	**3,862**	**14,000**

The main components of financial liabilities are commented below.

Bonds are broken down as follows:

(million euros)	6/30/2025	12/31/2024
Non-current portion	6,070	7,527
Current portion	2,504	2,401
Total carrying amount	**8,574**	**9,928**
Fair value adjustment and measurements at amortized cost	(254)	(303)
Total nominal repayment amount	**8,320**	**9,625**

The nominal repayment amount of bonds totaled 9,625 million euros, down by 1.305 million euros compared to December 31, 2024 (8,320 million euros) as a result of the repayments during the first half of 2025.

The change in bonds in the first half of 2025 was as follows:

(millions of original currency)	Currency	Amount	Repayment date
Repayments			
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	1/27/2025
TIM S.p.A. 1,000 million euros 2.750%	EUR	1,000	15/4/2025
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	25/4/2025

The following table summarizes the bonds issued by TIM Group companies, listed by issuing company, expressed at the nominal repayment amount, net of bond buy-backs, and at market value:

Currency	**Total** (millions)	**Nominal repayment amount** (million euros)	**Coupon**	**Issue date**	**Maturity date**	**Issue price** (%)	**Market price at 6/30/2025** (%)	**Market value at 6/30/2025** (million euros)
Bonds issued by TIM S.p.A.								
Euro	1,000	1,000	3.000%	9/30/16	9/30/25	99.806	100.183	1,002
Euro	375	375	2.875%	6/28/18	1/28/26	100	100.142	375
Euro	678	678	3.625%	5/25/16	5/25/26	100	101.045	685
Euro	742	742.3	2.375%	10/12/17	10/12/27	99.185	100.581	747
Euro	625	625	6.875%	1/27/23	2/15/28	(*) 100.240	108.807	680
Euro	750	750	7.875%	7/20/23	7/31/28	(*) 100.998	112.540	844
Euro	499	499.2	1.625%	1/18/21	1/18/29	99.074	95.067	475
Euro	440	440	5.250%	3/17/05	3/17/55	99.667	101.634	447
Subtotal		**5,109.5**						**5,255**
Bonds issued by Telecom Italia Finance S.A. and guaranteed by TIM S.p.A.								
Euro	656	656	7.750%	1/24/03	1/24/33	(*) 109.646	125.477	823
Subtotal		**656**						**823**
Bonds issued by Telecom Italia Capital S.A. and guaranteed by TIM S.p.A.								
USD	500	426.6	6.375%	10/29/03	11/15/33	99.558	104.540	446
USD	500	426.6	6.000%	10/6/04	9/30/34	99.081	100.135	427
USD	500	426.6	7.200%	7/18/06	7/18/36	99.440	105.832	451
USD	500	426.6	7.721%	6/4/08	6/4/38	100	107.510	459
Subtotal		**1,706.5**						**1,783**
Bonds issued by TIM S.A.								
BRL	1,600	250	IPCA+4.1682%	6/15/21	6/15/28	100	117,700	295
Subtotal		**250**						**295**
Bonds issued by TIM Brasil Serviços e Participações S.A.								
BRL	3,824	598	CDI+2.3%	7/31/23	7/25/28	100	79.85625	**477**
Subtotal		**598**						**477**
Total		**8,320**						**8,633**

(*) Weighted average issue price for bonds issued with more than one tranche.

The regulations and the offering circulars relating to the bonds of the TIM Group are available on the Group's website gruppotim.it.

Amounts due to banks (medium/long-term) totaled 649 million euros (701 million euros at December 31, 2024). Amounts due to banks (short-term) totaled 1,175 million euros (1,144 million euros at December 31, 2024) and included 603 million euros as the current portion of amounts due to banks (medium/long-term).

Other medium/long-term financial payables totaled 276 million euros (303 million euros at December 31, 2024), 117 million euros of which refer to the Telecom Italia Finance S.A. loan for JPY 20,000 million, maturing in 2029. Other short-term financial payables amounted to 210 million euros (257 million euros at December 31, 2024) and included 57 million euros as the current portion of other medium/long-term financial payables and 31 million euros in short-term financial payables of TIM S.p.A. towards Discontinued Operations.

Medium/long-term financial liabilities for lease contracts amounted to 2,482 million euros (2,421 million euros at December 31, 2024), whilst short-term payables totaled 490 million euros (523 million euros at December 31, 2024) and included 469 million euros as the current portion of medium/long-term financial liabilities for lease contracts.

With reference to the financial lease liabilities net of Discontinued Operations recognized in the first half of 2025 and 2024, the following is noted:

(million euros)	1st Half 2025	1st Half 2024
Principal reimbursements	202	228
Cash out interest portion	146	137
Total	**348**	**365**

Hedging derivatives relating to items classified as non-current financial liabilities amounted to 198 million euros (170 million euros at December 31, 2024). Hedging derivatives relating to items classified as current financial liabilities amounted to 37 million euros (23 million euros at December 31, 2024).

Non-hedging derivatives classified as non-current financial liabilities came to 22 million euros (26 million euros at December 31, 2024), while non-hedging derivatives classified as current financial liabilities amounted to 40 million euros (44 million euros at December 31, 2024). These also include the measurement of derivatives which, although put into place for hedging purposes, do not possess the formal requisites to be considered as such under IFRS.

Covenants and "negative pledges outstanding at June 30, 2025

The bonds issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. do not contain financial covenants of any kind (e.g. Debt/EBITDA ratio, EBITDA/Interest, etc.) or clauses that would entail the automatic early repayment of loans in the event of non-insolvency events of the TIM Group; moreover, the repayment of bonds and the payment of interest are not backed by specific guarantees, nor are there any commitments to issue future guarantees, with the exception of the full and unconditional guarantees granted by TIM S.p.A. for bonds issued by Telecom Italia Finance S.A. and Telecom Italia Capital S.A..

Since these are mainly transactions placed with institutional investors on the main global capital markets (Euromarket and USA), the terms governing the loans are in line with the market practice for similar transactions carried out on the same markets.

The documentation concerning the loans taken out by TIM contain the usual other types of covenants, including the commitment not to pledge the Company's assets as collateral for loans (negative pledge) and the commitment not to change the business purpose or sell the assets of the Company unless specific conditions exist (e.g. the sale takes place at fair market value). Covenants with basically the same content can be found in the export credit loan agreement.

In the loan agreements, TIM is required to provide notification of change of control. Events constituting a change of control and the applicable consequences – including, at the discretion of the investors, the establishment of guarantees or the early repayment of the amount paid in cash and the cancellation of the commitment in the absence of agreements to the contrary – are specifically identified in each agreement.

In addition, the outstanding loans generally contain a commitment by TIM, any breach of which constitutes an Event of Default, not to implement mergers, demergers or transfers of business, involving entities outside the Group, except where certain conditions exist. Such an Event of Default may entail, upon request of the Lender, the

early repayment of the drawn amounts and/or the annulment of the undrawn commitment.

On May 19, 2021 – specifically with regard to the loans taken out by TIM with the European Investment Bank ("EIB") – TIM extended the loan taken out in 2019 (initial for 350 million euros) by an additional 120 million euros.

In addition, on May 5, 2023, TIM took out a loan with the EIB for 360 million euros, partially guaranteed by SACE. This guarantee was definitively terminated on June 27, 2025.

Therefore, at June 30, 2025 the nominal total of outstanding loans with the EIB was 830 million euros.

Loans taken out with the EIB contain the following covenants and commitments, among others:

- if the Company is subject to a merger, demerger or transfer of a business unit outside the TIM Group, or disposes of, divests or transfers assets or business units (with the exception of certain disposals expressly permitted), it must immediately notify the EIB, which will have the right to request the provision of guarantees or the amendment of the loan agreement, or the early repayment of the loan (if a merger and demerger transaction outside the TIM Group jeopardizes the execution or operation of the Project or is detrimental to the EIB in its capacity as creditor);
- TIM has undertaken to ensure that, for the entire duration of the loan, the total financial debt of the companies belonging to the TIM Group other than TIM, and except where such debt is fully and irrevocably guaranteed by TIM, this will be less than 35% (thirty-five per cent) of the total financial debt of the TIM Group;
- "Clause for inclusion", where, if TIM undertakes to maintain financial parameters in other loan agreements (and also certain more stringent clauses, such as cross defaults and commitments to limit the sale of assets) that are not present or are more stringent than those granted to the EIB, the latter will have the right to request, if it considers in its reasonable opinion that such changes may have negative consequences on TIM's financial capacity, the provision of guarantees or the amendment of the loan agreement to provide for an equivalent provision in favor of the EIB.

Some contracts for outstanding loans granted to certain TIM Group companies as at June 30, 2025, contain obligations to comply with certain financial ratios, as well as the usual other covenants, under penalty of a request for the early repayment of the loan.

Finally, as at June 30, 2025, no covenant, negative pledge or other clause relating to the aforementioned debt position had in any way been breached or violated. nor are any difficulties in complying with the covenants expected in the near future.

Revolving Credit Facility

The following table shows committed credit lines(*):

(billion euros)	6/30/2025		12/31/2024	
	Agreed	Drawn down	Agreed	Drawn down
Revolving Credit Facility – April 2030	3.0	—	4.0	—
Total	**3.0**	—	**4.0**	**—**

(*) In accordance with the contract signed, the Banks have committed to make the funds available on demand (with at least 3 days' notice). As this is a "Committed" line, the banks have no mechanisms in place not to honor the request for funds made by the Company, without prejudice to the market standard early mandatory cancellation clauses (Natural contract expiry, Change in control, Borrower illegality, Events of default each as defined in the contract).

On March 31, 2025, TIM signed an agreement to amend the existing Revolving Credit Facility, effective April 4, 2025, extending its maturity to April 4, 2030 and reducing the amount from 4 billion euros to 3 billion euros.

Rating

At June 30, 2025, the three rating agencies – Standard & Poor's, Moody's and Fitch Ratings – rated TIM as follows:

	Rating	Outlook
STANDARD & POOR'S	BB	stable
MOODY'S	Ba2	stable
FITCH RATINGS	BB	positive

NOTE 15
NET FINANCIAL DEBT

The table below shows the breakdown of net financial debt of the TIM Group at June 30, 2025 and December 31, 2024, determined in accordance with the provisions of the "Guidelines on disclosure requirements under the Prospectus Regulation" issued by the ESMA (European Securities & Markets Authority) on March 4, 2021 (ESMA32-382-1138) and incorporated by Consob with its Note of Attention no. 5/21 dated April 29, 2021.
This table also shows the reconciliation of the net financial debt determined according to the aforementioned criteria indicated by the ESMA and net financial debt calculated according to the criteria of the TIM Group.

(million euros)		6/30/2025	12/31/2024
Liquid assets with banks, financial institutions and post offices	(a)	948	2,428
Other cash and cash equivalents	(b)	466	496
Securities other than investments	(c)	1,441	1,539
Liquidity	**(d=a+b+c)**	**2,855**	**4,463**
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(e)	748	527
Current portion of non-current financial debt	(f)	3,604	3,759
Current financial debt	**(g=e+f)**	**4,352**	**4,286**
Net current financial debt	**(h=g-d)**	**1,497**	**(177)**
Non-current financial debt (excluding current portion and debt instruments)	(i)	3,225	2,987
Debt instruments	(j)	6,070	7,527
Trade payables and other non-current debt	(k)	51	51
Non-current financial debt	**(l=i+j+k)**	**9,346**	**10,565**
Total net financial debt as per ESMA guidelines 32-382-1138	**(m=h+l)**	**10,843**	**10,388**
Trade payables and other non-current debt		(51)	(51)
Non-current financial receivables arising from lease contracts		(38)	(40)
Current financial receivables arising from lease contracts		(38)	(44)
Financial receivables and other current financial assets		(630)	(5)
Other financial receivables and other non-current financial assets		(36)	(11)
Financial assets/liabilities relating to discontinued operations/non-current assets held for sale		504	—
Subtotal	**(n)**	**(289)**	**(151)**
Net financial debt carrying amount (*)	**(p=m+n)**	**10,554**	**10,237**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(q)	(137)	(111)
Adjusted Net Financial Debt	**(r=p+q)**	**10,417**	**10,126**

(*) For the impact of Related-Party Transactions on Net Financial Debt, reference should be made to the table included in the Note "Related-party transactions".

Additional cash flow information required by IAS 7

(million euros)		12/31/2024	Cash movements: Receipts and/or Issues	Cash movements: Payments and/or reimbursements	Non-cash movements: Exchange differences	Non-cash movements: Fair value changes	Non-cash movements: Other changes and reclassifications	6/30/2025
Financial payables (medium/long-term):								
Bonds		9,928		(1,093)	(210)	(6)	(45)	8,574
Amounts due to banks		1,569		(314)			(3)	1,252
Other financial payables		360		(21)	(4)		(2)	333
	(a)	**11,857**	**—**	**(1,428)**	**(214)**	**(6)**	**(50)**	**10,159**
of which short-term		*3,326*						*3,164*
Medium/long-term finance lease liabilities:		2,895	—	(202)	9		249	2,951
	(b)	**2,895**	**—**	**(202)**	**9**	**—**	**249**	**2,951**
of which short-term		474						469
Other medium/long-term financial liabilities:								
Hedging derivative liabilities relating to hedged items classified as non-current assets/liabilities of a financial nature		193			54	(26)	14	235
Non-hedging derivative liabilities		69				(9)		60
Other liabilities		1						1
	(c)	**263**	**—**	**—**	**54**	**(35)**	**14**	**296**
of which short-term		66						75
Short-term financial liabilities:								
Amounts due to banks		276					296	572
Other financial payables		202			1		(48)	155
Short-term finance lease liabilities		49					(28)	21
	(d)	**527**	**—**	**—**	**1**	**—**	**220**	**748**
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale:	**(e)**	**—**	**—**	**(1)**	**(2)**	**—**	**618**	**615**
Total financial liabilities (Gross financial debt)	**(f=a+b+c+d+e)**	**15,542**	**—**	**(1,631)**	**(152)**	**(41)**	**1,051**	**14,769**
Hedging derivative assets relating to hedged items classified as non-current and current assets/liabilities of a financial nature	**(g)**	586			(168)	14	(1)	431
Non-hedging derivative receivables	**(h)**	156			(9)	(81)	10	76
Total	**(i=f-g-h)**	**14,800**	**—**	**(1,631)**	**25**	**26**	**1,042**	**14,262**

The change in short-term payables to banks (296 million euros) is due to a change in cash flows mainly due to the opening/closing of repurchased credit agreements and bank credit lines.

The value of the paid and collected interest expense for Continuing Operations reported in the Statements of Cash Flows takes into account the movements relating to transactions in CCIRS derivatives to hedge underlying assets in both the assets component (collections) and the liabilities component (payments) without netting the positions.

(million euros)	1st Half 2025	1st Half 2024
Interest expense paid	(584)	(1,180)
Interest income received	177	378
Net total	**(407)**	**(802)**

To consider the components of CCIRS derivatives as a single transaction, a representation is given with interest flows in and out shown net. This approach gives the following results:

(million euros)	1st Half 2025	1st Half 2024
Interest expense paid	(516)	(997)
Interest income received	109	195
Net total	**(407)**	**(802)**

NOTE 16 DERIVATIVES

For hedge accounting we continued to apply the rules established by IAS 39.

Derivative financial instruments are used by the TIM Group to hedge its exposure to foreign exchange rate risk and to manage interest rate risk and to diversify the parameters of debt so that costs and volatility can be reduced to within predetermined operational limits.

Derivative financial instruments existing at June 30, 2025 are principally used to manage debt positions. They include interest rate swaps (IRSs) used to reduce the interest rate exposure of fixed-rate bank loans and bonds, as well as cross currency and interest rate swaps (CCIRs) and currency forwards to convert the loans/receivables secured in currencies different from the functional currencies of the various Group companies. Commodity swaps are also in place to hedge the risk of changes in energy prices, as are currency options to hedge the Group's equity free cash flow.

IRS transactions, provide for or may entail, at specified maturity dates, the exchange of flows of interest, calculated on the notional amount, at the agreed fixed or variable rates.

The same also applies to CCIRS transactions which, in addition to the settlement of periodic interest flows, may provide for the exchange of principal, in the respective currencies of denomination, at maturity and possibly spot.

In commodity swaps, periodic cash flows are exchanged based on: (i) the variable reference price of the hedged commodity and (ii) a fixed price predetermined by the contract. In currency forwards and currency options, currency flows are agreed to be exchanged under predetermined conditions or upon the occurrence of certain market conditions, respectively.

The following tables break down the financial derivatives by type of risk for each kind of hedging, separating financial assets and liabilities. For CCIRS, the notional amount refers to the contractual value in euros, whereas for non-euro IRS the value is indicated at the market exchange rate; for commodity swaps, the notional is the sum of solely the cash flows to be paid to the counterparty.

Type (million euros)	**Hedged risk**	**Notional amount at 6/30/2025**	**Notional amount at 12/31/2024**	**Mark to Market Spot* (Clean Price) at 6/30/2025**	**Mark to Market Spot* (Clean Price) at 12/31/2024**
Interest rate swaps	Interest rate risk	400	—	4	—
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	—	—	—	—
Total Fair Value Hedge Derivatives		**400**	**—**	**4**	**—**
Interest rate swaps	Interest rate risk	2,239	2,403	15	(30)
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	1,964	1,968	120	352
Commodity Swaps	Energy price risk	9	—	—	—
Total Cash Flow Hedge Derivatives		**4,212**	**4,371**	**135**	**322**
Total Non-Hedge Accounting Derivatives		**1,876**	**1,025**	**(49)**	**32**
Total TIM Group's Derivatives		**6,488**	**5,396**	**90**	**354**

* Spot Mark-to-market above represents the market measurement of the derivative net of the accrued portion of the flow in progress.

NOTE 17
SUPPLEMENTARY DISCLOSURES ON FINANCIAL INSTRUMENTS

Measurement at fair value

The fair value measurement of the financial instruments of the Group has been classified in the three levels set out in IFRS 7. In particular, the fair value hierarchy comprises the following levels:

- Level 1: quoted prices in active markets;
- Level 2: prices calculated using observable market inputs;
- Level 3: prices calculated using inputs that are not based on observable market data.

The following tables contain supplementary information about financial instruments, including a schedule of the hierarchical levels for each class of assets and liabilities, measured at fair value as of June 30, 2025.

Key for IFRS 9 categories

		Acronym
Financial assets measured at:		
Amortized cost	Amortized Cost	**AC**
Fair Value Through Other Comprehensive Income	Fair Value Through Other Comprehensive Income	**FVTOCI**
Fair Value Through Profit or Loss	Fair Value Through Profit or Loss	**FVTPL**
Financial liabilities measured at:		
Amortized cost	Amortized Cost	**AC**
Fair Value Through Profit or Loss	Fair Value Through Profit or Loss	**FVTPL**
Hedge Derivatives	Hedge Derivatives	**HD**
Not applicable	Not applicable	**N/A**

Levels of hierarchy for each class of financial assets/liabilities measured at fair value as of 6/30/2025

(million euros)	IFRS 9 categories	notes	Carrying amount at 6/30/2025	Levels of hierarchy Level 1 (*)	Level 2 (*)	Level 3 (*)
ASSETS						
Non-current assets						
Other investments						
	FVTOCI	(8)	110	24	41	45
	FVTPL	(8)	52	52	—	
Securities, financial receivables and other non-current financial assets						
of which securities	FVTOCI	(9)	—	—		
of which hedging derivatives	HD	(9)	*403*		*403*	
of which non-hedging derivatives	FVTPL	(9)	—		—	
(a)			**565**	**76**	**444**	**45**
Current assets						
Securities						
	FVTOCI	(9)	*1,009*	*1,009*		
	FVTPL	(9)	*432*	*432*		
Financial receivables and other current financial assets						
of which hedging derivatives	HD	(9)	*28*		*28*	
of which non-hedging derivatives	FVTPL	(9)	*76*		*76*	
(b)			**1,545**	**1,441**	**104**	**—**
Total (a+b)			**2,110**	**1,517**	**548**	**45**
LIABILITIES						
Non-current liabilities						
of which hedging derivatives	HD	(14)	*198*		*198*	
of which non-hedging derivatives	FVTPL	(14)	*22*		*22*	—
(c)			**220**	**—**	**220**	**—**
Current liabilities						
of which hedging derivatives	HD	(14)	*37*		*37*	
of which non-hedging derivatives	FVTPL	(14)	*40*		*40*	
(d)			**77**	—	**77**	—
Total (c+d)			**297**	**—**	**297**	**—**

(*) Level 1: quoted prices in active markets;
Level 2: prices calculated using observable market inputs;
Level 3: prices calculated using inputs that are not based on observable market data.

During the first half of 2025 there were no transfers between different hierarchy levels of financial assets and liabilities measured at fair value.

NOTE 18
EMPLOYEE BENEFITS

This item consisted of:

(million euros)		12/31/2024	Discontinued Operations	Increases/ Present value	Decrease	Exchange differences and other changes	6/30/2025
Provision for employee severance indemnities	**(a)**	**186**	**(6)**	**3**	**(3)**	**—**	**180**
Provision for pension and other plans		14	(1)	1	(1)	—	13
Provision for termination benefit incentives and		3	(1)	6	—	—	8
Total other employee benefits	**(b)**	**17**	**(2)**	**7**	**(1)**	**—**	**21**
Total	**(a+b)**	**203**	**(8)**	**10**	**(4)**	**—**	**201**
of which:							
Non-current portion		200					193
Current portion (*)		3					8

(*) The current portion refers only to Other provisions for employee benefits.

The **Provision for employee severance indemnities (T.F.R.)** only refers to Italian companies and decreased by 6 million euros compared with December 31, 2024. The decreases substantially related to Telecom Italia Sparkle, which is classified as an "Available-for-sale asset" under IFRS 5 , and to indemnities paid during the period to employees whose employment was terminated or for advances.

The changes recorded in "Increases/Present value" in the first quarter of 2025 were as follows:

(million euros)	1st Half 2025
Current service cost (*)	—
Finance expenses	3
Net actuarial (gains) losses for the period	—
Total	**3**
Effective return on plan assets	there are no assets servicing the plan

(*) The portions intended for the INPS Treasury Fund or for the supplementary pension funds have been recorded under "Employee benefits expenses" under "Social security expenses". The latter account is used only for the severance indemnity expenses of companies with less than 50 employees.

As at June 30, 2025, the technical-economic parameters used in the valuation of the Provision for Employee Severance Indemnities changed only slightly compared to December 31, 2024.

In particular, the inflation rate has remained unchanged with respect to the value at December 2024 (2.00%) while the discount rate increased, going from the 3.18% used at December 31, 2024 to 3.21% at June 30, 2025.

The **Provision for pension and other plans** mainly represented pension plans in place at foreign companies of the TIM Group.

Th **Provision for termination benefit incentives and corporate restructuring** increased by a total of 5 million euros in the first half of 2025, mainly due to the provision charges for individual redundancy plans, individual redundancy schemes, as provided for in the Solidarity Agreement signed by the Parent Company with the labor unions on March 29, 2024 and ratified with the Ministry of Labor on April 12, 2024.

NOTE 19
PROVISIONS

These items consisted of:

(million euros)	12/31/2024	Discontinued operations	Increase	Taken to income	Used directly	Exchange differences and other changes	6/30/2025
Provision for taxation and tax risks	**120**		10		(7)	10	**133**
Provision for restoration costs	**80**		3			(3)	**80**
Provision for legal disputes	**474**	(3)	46		(33)	(22)	**462**
Provision for commercial risks	**154**		11	(16)	(1)		**148**
investments and corporate-related transactions	**39**	(28)					**11**
Other provisions	**10**						**10**
Total	**877**	**(31)**	**70**	**(16)**	**(41)**	**(15)**	**844**
of which:							
Non-current portion	**485**						**384**
current portion	**392**						**460**

The **provision for taxation and tax risks** increased by 13 million euros compared to December 31, 2024, essentially relating to the Brazil Business Unit.

The **provision for restoration costs** refers to the provision for the costs expected to be incurred for the restoration of leased properties and sites used in the mobile sector; as of June 30, 2025, this is mainly attributable to the Parent Company TIM S.p.A. (74 million euros) and to the Brazilian subsidiary TIM S.A. (5 million euros).

The **provision for legal disputes** included the provision for litigation with other counterparties and employees. The amount at June 30, 2025 included 361 million euros for the Domestic Business Unit and 101 million euros for the Brazil Business Unit.

The **provision for commercial risks** relates to the Domestic Business Unit and mainly the Parent Company TIM S.p.A.. In the first half of 2025, the termination of a connectivity agreement resulted in an updated liability recognised at December 31, 2024.

NOTE 20

MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

This item consisted of:

(million euros)		6/30/2025	12/31/2024
Miscellaneous payables (non-current)			
Payables to social security agencies		301	381
Current income tax payables		—	1
Other payables		6	11
	(a)	**307**	**393**
Other non-current liabilities			
Deferred revenues from customer contracts (Contract liabilities)		90	128
Other deferred revenue and income		248	360
Capital grants		13	15
	(b)	**351**	**503**
Total	**(a+b)**	**658**	**896**

Miscellaneous payables (non-current) include:

- **payables to social security agencies**, mainly relating to the non-current debt position with INPS for the application of the agreements signed with the trade unions relating to the application of Article 4 of Law no. 92 of June 28, 2012 and Article 41, subsection 5bis of Italian Legislative Decree no. 148/2015;
- **other payables** referring mainly to the Brazil Business Unit.

The **other non-current liabilities** include:

- **Deferred revenues from contracts with customers (contract liabilities)**, which are reversed to the income statement according to the duration of the contractual obligations between the parties, averaging 24 months; therefore, the balance as at June 30, 2025 will be reversed to the income statement generally by 2027. In particular, the item includes:
  - TIM S.p.A. deferred revenues for subscription charges and rent and maintenance payments (60 million euros);
  - Deferred revenues of TIM S.p.A. for outsourcing charges (25 million euros).

- **Other deferred income and income** mainly included**:**
  - the non-current portion of deferred income related to the Master Services Agreement signed by TIM S.p.A. with FiberCop S.p.A. (166 million euros);
  - The non-current portion of the deferred gain on the sale and lease-back of telecommunication towers by the Brazil Business Unit (approx. 77 million euros).

- **Capital grants**: the item represents the component to be charged to the income statement on the basis of the residual useful life (estimated to be about 18 years) of the assets to which the grants pertain and is mainly related to the implementation of the 5G Coverage Plan as part of the NRRP projects.

NOTE 21

TRADE AND MISCELLANEOUS PAYABLES AND OTHER CURRENT LIABILITIES

This item consisted of:

(million euros)		6/30/2025	12/31/2024
Trade payables	**(a)**	**3,563**	**4,351**
Tax payables	**(b)**	**450**	**136**
Miscellaneous payables			
Payables for employee compensation		179	183
Payables to social security agencies		267	308
Payables for TLC operating fee		601	527
Dividends approved, but not yet paid to shareholders		129	48
Other		220	216
Employee benefits (except for employee severance indemnities) for the current portion expected to be settled within 12 months		8	3
Provisions for risks and charges for the current portion expected to be settled within 12 months		460	392
	(c)	**1,864**	**1,677**
Other current liabilities			
Liabilities from customer contracts (Contract liabilities)		783	797
Other deferred revenue and income		94	113
	(d)	**877**	**910**
Total	**(a+b+c+d)**	**6,754**	**7,074**

Trade payables, amounting to 3,563 million euros (4,351 million euros as of December 31, 2024) mainly refer to the Domestic Business Unit (2,793 million euros) and the Brazil Business Unit (786 million euros). This item includes payables to the supplier Inwit S.p.A. by TIM S.p.A. in the amount of 276 million euros mainly arising from the existing *Master Service Agreement*.

At June 30, 2025, trade payables due beyond 12 months came to 41 million euros (40 million euros at December 31, 2024) and mainly refer to payables of the Brazil Business Unit for the renewal of telecommunication licenses.

Supplier finance arrangements

TIM S.p.A. makes available to suppliers the use of certain financial instruments that enable them to advance the collection of invoices (so-called *reverse factoring*).

These instruments do not involve TIM S.p.A. in any modification of the payment terms contractually established with the supplier, as they are solely available to the suppliers themselves to manage, at their discretion, more efficiently the relationship with financial institutions.

In addition, in some cases, TIM S.p.A. negotiates extensions of payment terms with specific suppliers so as to bring them into line with the usual payment terms of the relevant product category.

In 2025, these transactions resulted in payment terms consistent with those applied to non-agreed suppliers, namely 120 days from the last day of the month in which the invoice is rendered, with no significant impacts on cash flow.

Tax payables mainly refer to payables of the Brazil Business Unit (72 million euros) and TIM S.p.A. (376 million euros). The latter consist of the VAT payable to the tax authorities (355 million euros), tax substitution withholdings payable (16 million euros) and government concession tax payable (2 million euros).

Miscellaneous payables mainly comprise:

- the debt position of the Brazil Business Unit for the *Taxa de Fiscalização de Funcionamento* (TFF), a contribution suspended from 2020;
- the current debt position towards INPS in view of the application of the agreements signed with the trade unions regarding the application of Art. 4 of Italian Law no. 92 of June 28, 2012 and former Art. 41, subsection 5bis, Italian Legislative Decree no. 148/2015;
- advances on State grants to the parent company TIM S.p.A. for projects under the National Recovery and Resilience Plan (NRRP) amounted to 53 million euros;
- the current portion of employee benefits and provisions amounted to 468 million euros.

Other current liabilities include:

- **Liabilities arising from contracts with customers (Contract liabilities)**, amounted to 783 million euros. This item includes liabilities to customers related to the obligations of Group companies to transfer goods and services for which they have received consideration. Liabilities with customers, generally with a maturity of up to 12 months, are shown below.

In particular:

- **contract liabilities** amounting to 6 million euros; the item includes bundle contracts (good and services packages) with performance obligations with different timing for the recognition of revenues and consequent deferral of the fees originally recognized;
- **customer-related items**, equal to 355 million euros; the item includes trade payables following contractual relationships, such as the payable for prepaid traffic and the subscription charges charged in advance;
- **progress payments and advances** equal to 41 million euros, relating to trade payables following prepayments, such as deposits made by subscribers for telephone calls;
- **Deferred revenue from contracts with customers**, amounting to 381 million euros, essentially comprising the TIM S.p.A. Parent Company's deferred revenue for:
  - rent and maintenance (298 million euros);
  - subscription charges (51 million euros).

- **Other deferred revenue and income**, amounting to 94 million euros, mainly related to the current portion of the deferred income of the Parent Company TIM S.p.A. in connection with the Master Service Agreement entered into with FiberCop S.p.A.

NOTE 22

DISPUTES AND PENDING LEGAL ACTIONS, OTHER INFORMATION, COMMITMENTS AND GUARANTEES

An overview of the most significant judicial, arbitration and tax disputes in which TIM Group companies are involved at June 30, 2025, as well as those that came to an end during the period is given below.

The TIM Group has posted liabilities totaling 322 million euros for those disputes described below where the risk of losing the case has been considered probable.

It should be noted that for some disputes described below, on the basis of the information available at the closing date of the Half-Year Financial Report and with particular reference to the complexity of the proceedings, to their progress, and to elements of uncertainty of a technical-trial nature, it was not possible to make a reliable estimate of the size and/or times of possible payments, if any. Moreover, in those cases in which disclosure of information about a dispute could seriously jeopardize the position of TIM or its subsidiaries, only the general nature of the dispute is described.

Lastly, as regards the proceedings with the Antitrust Authority, please note that based on Article 15, subsection 1 of Italian Law 287/1990 ("Antitrust Regulations"), the Authority has the right to impose an administrative sanction calculated on the turnover of the Group in cases of breaches considered serious.

a) Significant disputes and pending legal actions

There had been no significant developments in the following pending litigations and legal actions since those disclosed in the 2024 Annual Report:

- Colt Technology Services, Eutelia and Clouditalia Telecomunicazioni (related to Antitrust case A428);
- Wind Tre S.p.A. – I857;
- Dispute relating to "Adjustments on license fees" for the years 1994-1998;
- Brazil - Opportunity arbitration.

International tax and regulatory disputes

At June 30, 2025, companies belonging to the Brazil Business Unit were involved in tax or regulatory disputes, the outcome of which is estimated as a possible loss totalling around 23.1 billion reais (22.3 billion reais at December 31, 2024), corresponding to approximately 3.6 billion euros at June 30, 2025.

The main types of litigation are listed below, classified according to the tax to which they refer.

Federal taxes

In relation to the federal level of taxation, the following disputes should be noted:

- disallowance of the tax effects of the merger between the companies of the TIM Brasil group;
- denial of the SUDENE regional tax benefit, due to alleged irregularities in the management and reporting of the benefit itself;
- challenges regarding offsetting against previous tax losses;

- further challenges regarding the tax deductibility of the amortization of goodwill;
- imposition of income tax on certain types of exchange rate differences;
- imposition of withholding taxes on certain types of payments to foreign entities (for example, payments for international roaming);
- further challenges regarding offsets made between taxes payable and group company credit positions. In this respect, during the third and fourth quarters of 2024, an appeal was filed in relation to a dispute regarding the use of PIS and COFINS credits, deriving from the exclusion of ICMS from the respective calculation bases, in offsetting against the taxes due. The amount in question, classified as a possible risk, amounts to about 1.6 billion reais.

Overall, the risk for these cases, considered to be possible, amounts to 5.1 billion reais (5.1 billion reais at December 31, 2024).

State taxes

Within the scope of the state levy, there are numerous challenges regarding ICMS, and in particular:

- challenges concerning the reduction of the tax base due to discounts granted to customers, as well as challenges regarding the use of tax credits declared by group companies, with respect to the return of loaned telephone handsets, and following the detection of contract frauds to the detriment of the companies;
- subjection of some fees owed to group companies and classified by them as fees for services other than telecommunications to ICMS;
- challenges over the use of the "PRO-DF" tax benefit originally granted by some states, and subsequently declared unconstitutional (the challenge refers to the actual credit due to ICMS, declared by TIM Cellular, now incorporated into TIM S.A., on the basis of the aforementioned tax benefits);
- challenges relating to the use of ICMS credits claimed by Group companies as a result of the acquisition of property, plant and equipment, and in relation to the supply of electricity to the companies, as well as in application of the provisions on acting as a withholding agent;
- fines imposed on group companies for irregularities in tax return compliance;
- challenges of ICMS credits in relation to the tax substitution procedure applicable when equipment is bought and distributed in different states;
- challenges of ICMS credits deriving from the “special credit” recognized by the company to its prepaid customers, against subsequent top-ups.

Overall, the risk for these cases, considered to be possible, amounts to 11.8 billion reais (11.1 billion reais at December 31, 2024).

Municipal taxes

Among disputes classified with a “possible” degree of risk, there are some relating to municipal taxes for a total amounting to around 1.9 billion reais (around 1.9 billion reais at December 31, 2024).

FUST and FUNTTEL

The main challenges about contributions to the regulatory body (Anatel), and in particular in terms of FUST and FUNTTEL, concern whether or not interconnection revenues should be subject to these contributions.

Overall, the risk for these cases, considered to be possible, amounts to 4.3 billion reais (4.2 billion reais at December 31, 2024).

Golden Power Case

In August 2017 the Prime Minister's office brought proceedings against TIM (as well as Vivendi) in order to verify the fact that TIM has an obligation to notify, pursuant to the “Golden Power” law, Vivendi’s acquisition of corporate control of TIM and the strategic assets it holds. In September 2017, the proceedings in question concluded by affirming that this obligation did exist for TIM with effect from May 4, 2017 (the date of the Shareholders’ Meeting that renewed TIM’s corporate boards).

As a result of this decision by the Presidency of the Council of Ministers, new and separate administrative proceedings started for the imposition on TIM of the financial penalty laid down by the Golden Power law for non-compliance with the aforementioned obligation to notify. These proceedings ended on May 8, 2018 with the imposition of a financial penalty of 74.3 million euros.

The Presidency of the Council of Ministers also exercised Golden Power under the decrees of October 16, 2017 and November 2, 2017. The Company, is convinced that it has the legal arguments to demonstrate that it was under no obligation to notify the control exercised over it by Vivendi, filed separate extraordinary appeals to the President of the Republic to request the abrogation of the order of September 28, 2017 for assessment of the Special Powers Decree of October 16, 2017, and the Special Powers Decree of November 2, 2017, and before the Lazio Regional Administrative Court (TAR) against the aforementioned order of May 8, 2018, which imposed a financial penalty, requesting its precautionary suspension. As regards the appeal to the Lazio Regional Administrative Court (TAR) against the provision of May 8, 2018, which imposed the financial penalty, the TAR, in upholding in July 2018 the interim petition lodged by the Company, has suspended payment of the penalty. Subsequently, in a non-definitive ruling dated May 2019, the Lazio Regional Administrative Court (TAR), in view of the “originality” of the distinction in proceedings between the assessment notice of September 28, 2017 and the penalty-imposing decree of May 8, 2018: (i) accepted TIM’s request for provisional measures to suspend the fine conditional on the offer of the guarantee; (ii) granted the suspension of the procedure to wait for the final judgment in the (injurious) case pending before the President of the Republic against the assessment notice of September 28, 2017; (iii) rejected the procedural objections raised by the defendant administrations.

The extraordinary appeal to the President of the Republic, against the decree of November 2, 2017 exercising the special powers, was dismissed.

It should also be noted that in May 2018 a guarantee bond for 74.3 million euros was issued in favor of the Presidency of the Council. TIM had been requested to submit such a bond for its application to Lazio TAR for precautionary suspension of the collection of the fine imposed for alleged breach of Art. 2 of Decree Law 21 of March 15, 2012 (the “Golden Power” law). The guarantee bond was subsequently renewed up to November 30, 2025.

On September 13, 2023, TIM was notified that more than five years had elapsed since the appeal was filed, in accordance with Article 82 of the Code of Civil Procedure. TIM therefore requested that a public hearing be held to discuss the appeal. The public hearing was scheduled for January 10, 2024. Following the hearing, by way of order 709 of January 15, 2024, the Regional Administrative Court upheld the suspension of the proceedings, as previously dictated by non-final judgment 6310 of May 23, 2019, and upheld the suspension of the enforcement of the measure under the conditions dictated by that ruling, all of which pending the decision in the extraordinary proceedings against the assessment notice of September 28, 2017.

In Opinion no. 1259/2024, rendered in the extraordinary proceeding against the assessment notice of September 28, 2017, the Council of State agreed with the opinion expressed by the Lazio Regional Administrative Court in its non-final judgment of May 2019, finding the appeal inadmissible because the contested notice does not qualify as a measure but qualifies as a sub-procedural act forming part of the sanctioning procedure (appealed to the Lazio Regional Administrative Court). Hence, on December 5, 2024, TIM applied to the Lazio Regional Administrative Court for a precautionary measure to adjourn the proceedings against the sanctioning decree, subject to the possibility of a further suspension pending the decision of the Council of State on the extraordinary proceedings against the still pending Special Powers Decrees, and/or pending the decree of the Presidency of the Republic to implement the aforementioned Council of State Opinion no. 1259/2024. The hearing before the Regional Administrative Court was set for March 19, 2025. On conclusion of the hearing, the Bench retired to consider whether to suspend the case or to render judgment. In its ruling of 23 May 2025, the Lazio Regional Administrative Court rejected the appeal and upheld the legality of the fine imposed on TIM. On July 28, 2025, TIM appealed the ruling in the Council of State, with an application for a precautionary suspension of the collection of the fine.

Furthermore, TIM appealed before the Lazio TAR and then appealed before the Council of State against the provision with which Consob, on September 13, 2017, affirmed Vivendi’s control over TIM. In December 2020, the Council of State issued a final judgment upholding TIM’s appeal and canceling the provision by Consob, a significant premise to the entire subsequent proceedings of the Presidency of the Council in relation to the obligation to Golden Power notification as described above. On June 14, 2021, Consob submitted an extraordinary appeal to the Court of Cassation on grounds of jurisdiction; TIM filed an appearance, objecting that the appeal is unlawful and inadmissible. Following the hearing in chambers held on October 11, 2022, on January 24, 2023, the order was published whereby the Court of Cassation declared that Consob’s petition was unacceptable, consequently ordering it to pay the dispute expenses.

COMM 3000 S.p.A. (formerly KPNQWest Italia S.p.A.) - A428

With writ of summons before the Rome Court, COMM 3000 S.p.A.(formerly KPNQWest Italia S.p.A.) filed a damages claim for a total of 37 million euros in compensation for alleged anticompetitive and abusive conduct over the period 2009–2011, in the form of technical boycotting (refusals to activate wholesale services – KOs); the claim was based on the contents of the decision of AGCM (the Italian Competition Authority) that settled the A428 case. TIM filed an appearance, contesting all of the plaintiff’s allegations. In the judgment with ruling in April 2019, the Court of Rome partially received the petitions of COMM 3000 S.p.A. (formerly KPNQWest Italia S.p.A.), sentencing TIM to pay an amount significantly lower than the amount in the counterparty's damages claim. In June 2019, TIM appealed against the judgment. In the judgment given in April 2021, the Court of Appeal of Rome partly upheld TIM’s appeal, reducing the amount of the compensation due to COMM 3000, which was in any case entirely covered by the relevant provision. In November 2021, TIM has appealed to the Court of Cassation over the judgment of the Court of Appeal of Rome in. The meeting in Council Chamber took place on June 13, 2023. By interlocutory order of July 19, 2023, the Court reinstated the case to the case register. On October 30, 2024, a public hearing was held and the case was reserved for decision. In a ruling dated January 28, 2025, the Supreme Court upheld the partially favorable ruling of the Rome Court of Appeal. In an appeal dated April 24, 2025, TIM challenged the Supreme Court's judgment to the European Court of Human Rights, claiming that the national courts had violated its right of defence.

Antitrust case A514

In June 2017 AGCM (the Italian Competition Authority) started proceedings A514 against TIM, to ascertain a possible abuse of its dominant market position in breach of article 102 of the “Treaty on the Functioning of the European Union”. The proceedings were started based on some complaints filed in May and June 2017, by Infratel, Enel, Open Fiber, Vodafone and Wind Tre, and concerns a presumed abuse of TIM’s dominant position in the market for wholesale access services and for retail services using the Broadband and Ultrabroadband fixed network. In particular, the AGCM (the Italian Competition Authority) hypothesized that TIM had adopted conduct aimed at: (i) slowing and hindering the course of the Infratel tender processes so as to delay, or render less remunerative the entry of another operator in the wholesale market; (ii) preemptively securing customers on the retail market for Ultrabroadband services by means of commercial policies designed to restrict the space of customer contendibility remaining for the competitor operators.

After the start of the proceedings, the Authority's officials carried out an inspection at some of TIM’s offices in the month of July 2017. On November 2, 2017, TIM filed a defense brief in which, in support of the correctness of its actions, it challenged all the arguments that the conduct it had allegedly engaged in, and which was the subject of the case, was unlawful.

On February 14, 2018, AGCM (the Italian Competition Authority) resolved to extend the scope of the case to investigate further behavior concerning TIM’s wholesale pricing strategy on the market for wholesale access to Broadband and Ultrabroadband, and the use of the confidential information of customers of the alternative operators.

On July 5, 2018 TIM filed proposed undertakings which, if accepted by the Authority, would close the investigation without any offence being established or sanction being administered. The undertakings were considered as admissible by the Authority, that market tested them in August and September.

On October 30, 2018, TIM replied to observations made by third parties and modified its proposed undertakings. With its decision notified on December 4, 2018, AGCM (the Italian Competition Authority) once and for all rejected the proposed series of undertakings as it considered them unsuitable in light of the objections raised.

On March 4, 2019, TIM requested AGCM (the Italian Competition Authority) for an extension of the deadline for closing the proceedings (initially set for May 31, 2019).

On April 10, 2019, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until September 30, 2019. On May 17, 2019, AGCM (the Italian Competition Authority) notified TIM of the results of the investigation (CRI). In the CRI, AGCM (the Italian Competition Authority) essentially confirmed the case for the prosecution outlined in the start-up and extension of the proceedings orders.

On June 12, 2019 AGCM (the Italian Competition Authority) extended the deadline for deposit of TIM's final defence to September 20, 2019 and set the final hearing for September 25, 2019.

On September 18, 2019, AGCM (the Italian Competition Authority) resolved to further extend the deadline for conclusion of the proceedings, which were scheduled for February 28, 2020.

On March 6, 2020, TIM was notified of the decision to close the investigation: AGCM (the Italian Competition Authority) ruled that TIM had abused its dominant position, finding that TIM had put in place an anticompetitive strategy designed to hinder the competitive development of investment in Ultrabroadband network infrastructure. The fine imposed on TIM for the anti-competitive offence is 116,099,937.60 euros.

On June 25, 2020 TIM sent AGCM (the Italian Competition Authority) the so-called compliance report as ordered in the final provision.

In May 2021, the Company in any case paid the fine.

TIM appealed the aforementioned fine before the Lazio Regional Administrative Court (TAR). By judgment 1963/2022 of February 28, 2022, TIM's appeal was rejected; TIM has appealed to the Council of State against the decision of the regional administrative court.

In August 2022, Irideos notified a deed of intervention ad opponendum with respect to TIM's principal appeal.

The related hearing for oral discussion was scheduled for May 25, 2023. At the end of the hearing, the Council of State ordered a report from a court-appointed expert on three issues regarding the profitability of the investment in "white areas" with low population density. On October 11, 2023, the court-appointed experts were sworn-in in the Council of State and requested an extension to the completion deadlines. Under the new deadlines granted by the Council of State, the expert report was filed in May 2024.

At the public hearing on October 10, 2024, the case was reserved for decision; Open Fiber requested that the operative part be published in advance. On October 25, 2024, the Council of State published the operative part of the judgment, in which it dismissed the motions (including preliminary motions) of the parties and partially upheld the appeal and, partially reforming of the appealed judgment, upheld the appeal at first instance only insofar as the measurement of the penalty imposed, which is reduced by 25%; it dismissed all other parts of the appeal and upheld the contested order from all other counterclaims. On November 13, 2024, the judgment was published and TIM initiated the necessary procedures to obtain partial restitution of the penalty in the amount of 29,024,984.40 euros, plus statutory interest, from the date of payment until the date of actual restitution. On February 27, 2025, AGCM notified the Ministry of Enterprises and Made in Italy of the clearance for payment to TIM of the aforementioned amount following the Authority's redetermination at 87,074,953.20 euros of the penalty imposed on TIM for the conduct ascertained in Order No. 28162 of February 25, 2020. At the request of TIM, MIMIT has repaid the aforementioned sum of 29,024,984.40 euros and related interest equal to 2,664,864.94 euros.

Open Fiber

In March 2020, Open Fiber (OF) sued TIM before the Court of Milan, claiming damages of 1.5 billion euros for alleged abuse of an exclusive and dominant position in relation to OF. The alleged actions consist of: (i) preemptive investments in FTTC networks in white areas; (ii) initiating specious legal action to obstruct Infratel tenders; (iii) spurious repricing of certain wholesale services; (iv) commercial lock-in offers on the retail market; (v) false disclosure to AGCOM in connection with the approval of a wholesale offer and spreading rumors about TIM being interested in acquiring OF; (vi) discriminatory access conditions to TIM passive infrastructure. TIM filed an appearance, contesting the arguments of OF. Enel S.p.A. intervened in the proceedings, asking that TIM be ordered to compensate all damages suffered and being suffered by Enel and OF, without, however, quantifying such. During the course of proceedings, Open Fiber redetermined the damage allegedly suffered, taking it to 2.6 billion euros plus interest and monetary revaluation. Open Fiber has also clarified that it believes such damages are still to be suffered. Enel then quantified the damages allegedly suffered as approximately 228 million euros, plus interest. On October 19, 2022, the hearing was held for admission of the evidence, after which the judge reserved the right to deliberate. By order of July 17, 2023, the Court of Milan lifted the reservation and deferred the hearing for delivery of the verdict until April 3, 2024. At the hearing of April 3, the Judge ordered that Court obtain the expert witness report rendered in the appeal proceedings brought by TIM before the Council of State against the unfavorable ruling of the Regional Administrative Court relating to fines imposed in relation to case A514. The case was then adjourned to be heard on June 12, 2024, with the Judge reserving the right to deliberate.

By order served on July 5, it was deemed fit – in order to adjudicate whether to stay the proceedings as requested by TIM – to invite the Parties to make their closing arguments. For this purpose, a hearing was set for September 18, 2024, with the Parties ordered to make their submissions in writing and invited to waive the time limits for the filing of closing briefs. This hearing was replaced by the filing of written notes only. The Court of Milan, in accepting the motion of TIM, ordered to stay the proceedings until the proceedings before the Council of State are concluded.

Following the publication of the Council of State's ruling on November 13, 2024, Open Fiber applied for the case to be resumed on November 18, 2024, and simultaneously applied for a hearing to be set. The resumptive hearing was scheduled for May 20, 2025.

At the hearing of May 20, 2025, the investigating judge, having taken note of Open Fiber's waiver of certain preliminary motions, granted a time limit (i) until May 30, 2025 for Open Fiber to clarify its positions and (ii) until June 10, 2025 for TIM and Enel to counterclaim on this point, setting the hearing for June 18, 2025. The parties filed their respective pleadings.

At the hearing of June 18, 2025, the investigating judge asked the parties to summarise their considerations on the possible anti-competitive effects of TIM's conduct sanctioned in Measure A514, as ascertained by the AGCM as the case may be, assigning a deadline until July 30, 2025 and setting the next hearing for October 1, 2025.

Irideos

In January 2022, Irideos summonsed TIM to the Court of Rome, making a claim for damages allegedly suffered as a consequence of the unlawful conduct of TIM, as sanctioned by AGCM (the Italian Competition Authority), with the provision that concluded case A514 ("follow-on claim"). The compensation claim comes to 23,204,079.87 euros for damages caused by the anti-competitive behavior of TIM from 2017 to 2019 (with effects also in subsequent years) on the market for services of wholesale access to the Broadband and Ultrabroadband fixed network (the "wholesale market") and on the market for retail telecommunications services on the Broadband and Ultrabroadband fixed network (the "retail market"). TIM filed an appearance, contesting the opposing party's arguments. At the hearing held on June 1, 2022, the investigating judge (i) assigned the parties time for depositing the briefs with terms running from February 15, 2023 and (ii) deferred the case to the hearing of June 7, 2023. The hearing for the taking of evidence was set for October 5, 2023. The Judge, having taken note of Irideos' request to defer the hearing and motivated by the judgment pending in case A514 before the Council of State, deferred the hearing of the parties until October 10, 2024, which was further postponed to March 13, 2025. On that date, the judge ordered a further postponement, scheduling a new hearing for October 22, 2025.

28-day billing

AGCOM resolution 121/17/CONS introduced instructions on billing intervals for telephony, prescribing, for fixed telephony, that the interval should be monthly, or multiples thereof, and, for mobile telephony, that it should be at least four-weekly. TIM appealed Resolution 121/17/CONS to the Regional Administrative Court. The judgment rejecting the appeal was published in February 2018. TIM appealed this judgment to the Council of State in June 2018. On September 23, 2020, the non-definitive ruling was published whereby the Council of State joined the appeals submitted by TIM, Vodafone, Fastweb and Wind Tre and ordered the prejudicial deferral to the European Union Court of Justice (EUCJ) on whether or not the Authority had the power to regulate the frequency of renewal of the commercial offers and invoicing periods, at the same time rejecting the other grounds of appeal submitted by the operators and suspending proceedings. On June 8, 2023, the EU Court of Justice published its decision concluding that the Italian legislation granting AGCom the power to impose a monthly or multi-monthly billing requirement on fixed and convergent telephone service operators for the renewal and invoicing of such offers, is not contrary to EU law. When proceedings resumed before the Council of State in December 2023, TIM requested that its appeal be ruled inadmissible due to a lack of interest. On January 18, 2024, the State Council declared the right to be extinguished.

With its Resolution 499/17/CONS, having confirmed the breach of Resolution 121/17/CONS, AGCOM fined TIM 1,160,000 euros, ordering it to make provision – when the billing cycle was restored to monthly intervals or multiples thereof – to return the amounts corresponding to the fee for the number of days that, from June 23, 2017, had not been used by the users in terms of the supply of service due to the misalignment of the four-weekly and monthly billing cycles.

In March 2018 with resolution no. 112/18/CONS, AGCOM (i) revoked the preceding resolution 499/17/CONS in the part in which TIM was ordered to repay the amounts presumably lost from June 23, 2017 onwards, with the four-weekly billing cycle, (ii) cautioned TIM, with regard to fixed-line voice services only, against postponing the starting date of invoices issued after the return to monthly invoicing by the same number of days as those presumably deducted starting from June 23, 2017 with the four-weekly invoicing cycle.

Under Presidential Decree 9/18/PRES, AGCOM amended the provisions of Decision 112/18/CONS requiring the deferment of billing once the billing cycle was restored to monthly intervals, or multiples thereof, while also ordering that the timescales for complying with the order would be identified after hearings with the operators and the main consumer protection associations.

In July 2018, AGCOM issued resolution 269/18/CONS, with which it set December 31, 2018 as the date by which the operators had to return to their fixed network customers a number of days of service equal to those eroded as an effect of 28-day billing, or propose to the affected customers any alternative compensatory measures, after having notified them to AGCOM. TIM has appealed all of the above resolutions.

With the judgment published in November 2018, the Regional Administrative Court (TAR) canceled the pecuniary administrative sanction of 1.16 million euros imposed with Resolution 499/17/CONS, and confirmed the obligation of restitutio in integrum to the fixed-line customers by December 31, 2018, the grounds for the judgment were instead published on May 10, 2019. TIM appealed the judgment to the Council of State.

In judgment 39 of January 2, 2024, the Council of State rejected TIM's main appeal, in keeping with its prior rulings in the appeals brought by the other operators, and upheld the legitimacy of the measures adopted by AGCOM. In the same decision, the administrative court of appeal also rejected AGCOM's counter-appeal aimed at reinstating the 1,160,000 euro sanction that had originally been imposed on TIM and was later annulled by the Lazio Regional Administrative Court.

In August 2019, AGCOM initiated a new sanctions procedure (CONT 12/19/DTC) for failing to comply with the order to refund fixed and converged network customers for the days eroded by 28-day billing, through the procedures established in resolutions 112/18/CONS and 269/18/CONS. At the end of this procedure, the Authority found in Resolution 75/20/CONS that TIM had failed to comply with these resolutions and imposed a fine of 3 million euros. In July 2020, TIM appealed the decision before the Regional Administrative Court. We are waiting for a date to be fixed for the discussion hearing.

In the civil proceedings, by judgment published on October 14, 2021 the Court of Milan, under the scope of the case on the merits brought by Associazione Movimento dei Consumatori in 2018 regarding the pricing and 28-day renewal for fixed line and converging offers, confirmed the order given on June 4, 2018 by the same Court upon closure of the complaint brought by TIM pursuant to Art. 669 terdecies of the Italian Code of Civil Procedure and the measures set out therein, ordering TIM to fulfill the requests for repayment of prices paid as a result of customer maneuvers - including discontinued, as indeed TIM had already been doing since 2018, at the same time also extending the period relevant to the recognition of the reimbursement through to April 1, 2017 and therefore earlier than June 23, 2017, the date on which the operators will need to comply with Resolution no. 121/17/CONS. TIM has appealed the judgment of the Court of Milan, at the same time filing a request for suspension of its enforcement. With order of January 11, 2022, the Court of Appeal of Milan partially accepted TIM's request, suspending the charge in the judgment relating to the order to send a registered letter to all discontinued customers that were subject to billing every 28 days to inform them of the possibility to obtain a refund of the additional amounts paid as a result of the maneuver. By judgment published on December 9, 2022, the Milan Court of Appeal confirmed the first instance judgment in full. On January 12, 2023, TIM notified the appeal to the Court of Cassation and on January 16, 2023 it also filed the appeal pursuant to Art. 373 of the Italian Code of Civil Procedure with the Milan Court of Appeal, asking that enforcement of the ruling be suspended until the judgment pending before the Court of Cassation had been settled.

By order of February 14, 2023, the Milan Court of Appeal, in partially upholding TIM's appeal, ordered suspension of the judgment in connection with the order to send the recorded delivery letters to former customers, whilst awaiting the decision of the Supreme Court. By Order published on February 15, 2024, the Court of Cassation rejected TIM's appeal.

On January 24, 2025, a public hearing was held on the appeal brought by TIM against Resolution no. 75/20/CONS in which AGCOM – alleging TIM to have failed to comply with previous resolutions setting out the procedures for the restitution of "eroded days" to customers as a result of 28-day billing - had ordered the Company to pay a fine of 3 million euros. This is the last dispute still pending on the 28-day billing issue, the outcome of which could be influenced by the ruling of the aforementioned action brought by the Consumer Movement Association in the civil courts. In fact, the Civil Court of Milan, having ascertained the commercial practice introduced by TIM to be unlawful, had ordered TIM to put in place a series of restorative measures to compensate customers for the detrimental effects of 28-day billing (all of which were punctually fulfilled) in a decision that was upheld in full by the Court of Cassation in 2024. Consequently, the assumptions underlying Resolution no. 75/20 regarding TIM's alleged non-compliance are disproved by the documentary evidence attached in the judgment of the Regional Administrative Court, which attest that TIM fully complied with the decision-making rules of the Ordinary Judicial Authority which formed the basis of the judgment. At the hearing on January 24, the case was reserved for judgment by the court following discussion. On February 13, 2025, the Lazio Regional Administrative Court's ruling was published rejecting the appeal filed by TIM against Resolution No. 75/20/CONS.

TIM filed an appeal (served on May 12, 2025).

Antitrust case I820

On February 19, 2018, AGCM (the Italian Competition Authority) initiated a I820 preliminary proceeding against the companies TIM, Vodafone, Fastweb, Wind Tre and the industry association ASSTEL to investigate the alleged existence of an agreement among the major fixed-line and mobile telephone operators to restrict competition by coordinating their respective commercial strategies, in breach of Art. 101 of the TFUE.

The presumed coordination, according to the opening provision of the proceedings by AGCM (the Italian Competition Authority), would take the form of the implementation of the obligation introduced by Article 19-quinquiesdecies of Legislative Decree 148/2017 (converted by Law 172/2017) which requires operators of electronic communication services to send out monthly (or monthly multiples) bills and renewed offers for fixed and mobile services.

On March 21, 2018, AGCM (the Italian Competition Authority) issued a provisional precautionary measure against all the operators involved in the proceedings with which it ordered the suspension, pending the proceedings, of the implementation of the agreement concerning the determination of repricing communicated to users at the time of reformulating the billing cycle in compliance with Law 172/17 and to independently redetermine its commercial strategy. In its decision No. 27112 of April 11, 2018, AGCM (the Italian Competition Authority) confirmed the precautionary measure.

On June 12, 2018, TIM filed an appeal with the TAR for the quashing of said measure.

On January 31, 2020, TIM was notified of the decision to close the investigation, in which AGCM (the Italian Competition Authority) confirmed the existence of the agreement between TIM, Vodafone, Fastweb, Wind Tre, but excluding Asstel from participation in the agreement. The fine imposed on TIM for participation in the anticompetitive agreement was 114,398,325 euros. In April 2020, TIM also challenged the fine order.

In a ruling published on July 12, 2021, the Lazio Regional Administrative Court upheld the petition and the grounds added and submitted by TIM, canceling the measures taken by AGCM (the Italian Competition Authority), including that relating to the existence of the agreement and application of the fine.

On September 11, 2021, AGCM (the Italian Competition Authority) presented a petition to the Council of State, requesting the cancellation of the judgment given by the regional administrative court.

On July 25, 2023, the Council of State reformed the decision of the Lazio Regional Administrative Court, upholding the validity of AGCM ((the Italian Competition Authority) measure in case I820 and referring to the Authority to redetermine the sanction in view of the reduced duration of the infringement.

In view of the rulings of the Council of State on the quantum of the sanction, TIM – in a petition dated August 28, 2023 – asked the AGCM (the Italian Competition Authority) for the redetermination of the sanction to take place in full adversarial proceedings between the parties as part of a special investigation procedure.

In its order of September 26, 2023, served on the Company on October 3, 2023, the AGCM (the Italian Competition Authority) informed TIM that it had quantified the fine at 100,670,526.00 euros, holding that it had no margins for discretion in executing the judgment of the Council of State. On October 12, 2023, TIM filed an appeal to overturn the judgment of the Council of State; the hearing to discuss the revocation application was set for March 6, 2025 and has subsequently been postponed to April 10, 2025. In a judgment published on 30 May 2025, the Council of State declared the appeal for revision inadmissible.

On October 13, 2023, TIM filed an appeal before the Lazio Regional Administrative Court to annul the measure redetermining the sanction; TIM also requested the precautionary suspension of the measure, but this was rejected by order of November 9, 2023. A hearing on the merits has yet to be set.

In a communication dated December 6, 2023, the Authority urged TIM to pay the penalty of 100,670,526.00 euros plus legal interest accrued from November 3, 2023 until the day of actual payment amounting to 5,535,913.60 euros.

In a communication dated December 12, 2023, TIM contested the dueness of such interest due to the absence of the prerequisites of liquidity and collectability required by Article 1282 of the Italian Civil Code, as well as an error in identifying the start date for the calculation.

The Authority's Budget Office responded on February 2, 2024, acknowledging an error in the calculation of legal interest, which was therefore restated to the amount of 4,121,837.47 euros, but reiterating that the same is due.

On March 29, 2024, TIM lodged an appeal with the Lazio Regional Administrative Court against the communication from the Budget Office, contesting both the error in the calculation of the interest due and a defect in the competence of the Budget Office.

Antitrust Case I850

By decision given on December 15, 2020, AGCM (the Italian Competition Authority) started an investigation in regard to the company Telecom Italia S.p.A., Fastweb S.p.A., Teemo Bidco S.r.l., FiberCop S.p.A., Tiscali Italia S.p.A. and KKR & Co. Inc., to ascertain the existence of any breaches of article 101 of the TFEU in relation to the coinvestment offer.

More specifically, the investigation regards the contracts governing the establishment and operation of FiberCop and the supply agreements with Fastweb and Tiscali. AGCM (the Italian Competition Authority) intends to verify that such agreements do not hinder competition between operators in the medium and long-term and assure the rapid modernization of the country's fixed telecommunications infrastructures.

On August 6, 2021, TIM submitted a proposal of undertakings to AGCM (the Italian Competition Authority) in order to resolve the competition concerns subject of the investigation and close the proceedings without any sanction being applied.

On September 7, 2021, AGCM (the Italian Competition Authority) judged these commitments to not be clearly unfounded and ruled publication on the Authority's website from September 13, 2021; thus market testing began and was completed by October 13, 2021, the date by which all subjects so wishing submitted their observations to AGCM in respect of the relevant commitments.

On December 14, 2021 AGCM (the Italian Competition Authority) extended the deadline for the conclusion of the proceedings, initially set for December 31, 2021, to February 15, 2022.

Precisely during the meeting held on February 15, 2022, AGCM (the Italian Competition Authority) finally resolved to approve the commitments insofar as they were considered suitable to eliminate the alleged anti-competition aspects investigated.

As envisaged by the final ruling, on April 22, 2022, TIM sent AGCM (the Italian Competition Authority) a first report on the measures taken to fulfill the commitments made.

On May 11, 2022, AGCM (the Italian Competition Authority) notified TIM of its acknowledgment of the measures presented in such report.

On January 31, 2023 TIM sent AGCM (the Italian Competition Authority) a second report on the implementation of the undertakings given.

On January 30, 2024, TIM sent AGCM (the Italian Competition Authority) the required annual report on the implementation of the undertakings given.

By petition notified in April 2022, Open Fiber challenged the above AGCM (the Italian Competition Authority) provision no. 3002, whereby the proceedings were closed, before the regional administrative court of Lazio; the petitioner believes that the commitments, made mandatory by the closure, are not sufficient to remove the anti-competitive aspects identified at the start of proceedings.

Upon completion of the interim hearing of last June 1, 2022, the regional administrative court rejected the request and scheduled the merits hearing for January 26, 2023. At the January 26 hearing, after extensive discussion, the judge reserved the right to deliberate. By judgment of April 14, 2023, the Regional Administrative Court rejected as unfounded the appeal of Open Fiber, which on July 10, 2023, appealed the Regional Administrative Court's judgment to the Council of State.

The Council of State set a hearing to discuss this appeal on November 14, 2024, since postponed to April 10, 2025 due to the appellant's indication that the AGCM might intervene, which could have caused the interest in the appeal of first instance to be extinguished. At the hearing of April 10, 2025, the case was reserved for decision. On December 17, 2024, AGCM – accepting the claims of TIM and FiberCop – ruled in its order no. 31414 to revoke the commitments that were made binding by the Authority in Resolution no. 30002 of February 15, 2022, as part of these proceedings.

The Authority holds that, as of July 1, 2024. the antitrust concerns that existed under the initial hypothesis of an agreement restricting competition have been extinguished following the unbundling of TIM's fixed network infrastructure.

On May 13, 2025, the Council of State declared Open Fiber's appeal inadmissible due to the issuing of the measure revoking the commitments ordered by the AGCM.

Open Fiver, Fastweb and Iliad appealed the order revoking the commitments referred to in Resolution no. 30002 of February 15, 2022, to the regional administrative court of Lazio.

Antitrust case I857

On July 6, 2021, AGCM (the Italian Competition Authority) started an investigation in regard to TIM and DAZN for a possible understanding reached with a view to restricting competition in connection with the agreement for the distribution and technological support for TV rights for Serie A football in the 2021-2024 period.

The investigation also aims to verify the restrictive nature of the understanding with reference to additional elements regarding the possible adoption by TIM of technical solutions not available for competitor telecommunications operators and which may effectively hinder the adoption of their own technological solutions.

At the same time, the Authority has also initiated proceedings for the potential adoption of protective measures.

By resolution passed on July 27, 2021, AGCM (the Italian Competition Authority) closed the interim proceedings, considering that the initiatives and amendments to the agreement proposed by TIM and DAZN in the meantime are presently able to prevent any serious and irreparable damage to competitors while investigations are completed.

Indeed, said measures aim, as a whole, to avoid possible discrimination in the use of the DAZN service, due to its activation by users using Internet connection services other than those offered by TIM. In addition, the agreement between TIM and DAZN has been amended to guarantee DAZN complete freedom in applying discounts and promotions. TIM has also undertaken to provide DAZN with a sufficient number of white label set-top-boxes to also guarantee DAZN customers the viewing of matches over digital terrestrial TV, in the event of connection problems.

Finally, TIM has undertaken to supply wholesale services to OAOs interested therein to manage traffic peaks deriving from live data transmissions, regardless of the type of content transmitted.

On October 29, 2021 TIM submitted a proposal for undertakings to AGCM (the Italian Competition Authority) with a view to resolving the competitive concerns that were the subject of the investigation and closing the proceedings without the finding of any infringement and therefore without any sanction being applied.

On December 14, 2021, AGCM (the Italian Competition Authority) approved the publication of the aforementioned proposal for undertakings on the Authority's website, as these undertakings, taken as a whole, do not appear to be manifestly unfounded and are capable of removing the restrictions to competition hypothesized in the measure initiating the investigation in question.

On January 5, 2022, with the publication on the AGCM (the Italian Competition Authority) website, market testing began.

The deadline for rebuttal arguments and proposing any accessory amendments to the commitments presented by TIM and DAZN is scheduled for March 7, 2022.

On February 23, 2022, TIM and DAZN were convened separately to the AGCM (the Italian Competition Authority) offices. During the hearing, the Offices informed TIM – and thereafter confirmed this in the hearing meetings – that in a hearing held on February 15, the Board deemed it necessary to make certain "accessory" changes in order to approve the commitments submitted.

On March 4, 2022, TIM and DAZN requested an extension of the deadline for the submission of observations, also in view of the new aspects that had emerged on February 23. The new deadline was set as March 23, 2022.

On March 22, 2022, TIM informed the Authority that the additional changes considered necessary by the Board to approve the commitments would have entailed a complete overhaul of the contents and economic balance of the agreements signed by TIM and DAZN, such as to make it no longer possible to pursue the hypothesized business model. At the same time, TIM informed the Authority of the start of negotiations with DAZN possibly concerning the revision of the distribution exclusivity clause, which was the main object of the Authority's investigation. Considering the complexity of negotiations, TIM requested an extension of another 30 days for submission of observations. The extension was authorized and the new deadline set as April 23, 2022.

On April 20, 2022, in consideration of the extension of negotiations, also due to the complexity and economic relevance of that being negotiated, DAZN and TIM requested an additional extension. The new deadline was set as May 9, 2022.

On May 9, 2022, TIM informed the Authority that it had declared willing to DAZN to waive the exclusivity of the distribution of Serie A football rights, as currently regulated by the Deal Memo, with DAZN consequently having the faculty to distribute such rights also through third party operators and that, in exchange for the willingness to waive this right, the Parties had begun negotiations for a review of the contracted economic commitment envisaged by TIM.

On June 7, 2022, the Authority ruled on the rejection of the commitments submitted, which "would appear, both where considered comprehensively and individually, to be unable to eliminate the anticompetitive aspects identified in the resolution that started the proceedings, insofar as they do not resolve the competition concerns highlighted in the initial proceedings, where not translated into shared contractual amendments such as to eliminate the critical competition issues" highlighted by the Authority.

Again on June 7, 2022, the Authority ruled on the deferral of the deadline for the conclusion of proceedings to March 31, 2023.

On August 2, 2022, TIM informed the Antitrust Authority that it had reached a new agreement with DAZN, under which the latter has the faculty to distribute football rights through any third party, surpassing the previous system of exclusivity in TIM's favor.

On January 20, 2023, notification was given of the investigation results (CRI).

AGCM (the Italian Competition Authority) believes that the agreement reached on January 27, 2021 (the "Deal Memo") had contents and resulted in effects that reduced competition for its entire duration (and therefore until stipulation of the new agreement on August 3, 2022).

On January 31, 2023, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until May 31, 2023.

TIM filed its statement of defence March 28, 2023, and the final hearing with the Authority was held on April 4, 2023.

On April 18, 2023, AGCM (the Italian Competition Authority) decided to again extend the deadline for the conclusion of the proceedings to June 30, 2023, due to the complexity of the defence put forward by the Parties in their pleadings.

On June 28, 2023, AGCM (the Italian Competition Authority) ruled that the conduct of TIM and DAZN constitutes an agreement restricting competition in breach of Article 101 TFEU (the "AGCM Measure").

Yet the arrangement – in particular regarding exclusivity – only lasted for approximately one month and its potentially restrictive effects on competition were neutralized by the Authority's timely initiation of the investigation procedure on July 6, 2021.

Indeed, the precautionary sub-proceedings instigated at the start of the first football season of the three-year period 2021-2024 actually prevented the effects of the arrangement from occurring, as at the beginning of August 2021 TIM and DAZN discontinued the application of the disputed contractual clauses through their own

voluntary action. The original agreement was then replaced by a new contract, entered into in August 2022, in which any exclusivity was completely eliminated, thus rooting out the antitrust concerns about exclusivity of

distribution.

Consequently, and in light of the mitigating circumstances recognized, AGCM (the Italian Competition Authority) imposed a fine of 760,776.82 euros on TIM and a fine of 7,240,250.84 euros on DAZN.

On September 20, 2023, TIM paid the fine with reservations in view of the appeal brought by the Company with the Lazio Regional Administrative Court against the decision against it.

On May 11, 2024, the Lazio Regional Administrative Court threw out the appeals of TIM and DAZN for the annulment of the AGCM Measure and, without annulling the AGCM Measure (which will therefore continue in effect until any amendment by the AGCM itself), declared that the AGCM (the Italian Competition Authority) has a duty to resume the measure in accordance with the Lazio Regional Administrative Court's ruling.

In a nutshell, the Lazio Regional Administrative Court has valued the following reason, which is common to the appeals of both Sky and Fastweb: According to the CRI, the prohibited agreement had market effects from January 27, 2021 to August 4, 2022, whereas the AGCM Measure reduced the duration of the violation from July 1, 2021 – when the marketing of the rights under Deal Memo commenced – up to the implementation of voluntary measures adopted by TIM and DAZN as part of the precautionary sub-proceedings at the beginning of August 2021. Therefore, the AGCM Measure appeared to contradict the investigation results (CRI), with the Board having failed to adequately justified its decision to depart from the preliminary findings. At this point, AGCM (the Italian Competition Authority) could reopen the investigation or appeal against the ruling of the Lazio Regional Administrative Court. The TIM are considering its options for taking action against the ruling of the Lazio Regional Administrative Court, which could include an appeal. TIM has decided to proceed with the appeal, which has been served on all parties involved. By order published on October 4, 2024, the Council of State rejected TIM's petition to stay the proceedings. The hearing on the merits is awaiting scheduling. On May 22, 2025, the case was heard by the Council of State. After brief discussion, the appeals were put to decision. In a ruling published on June 19, 2025, the Council of State rejected TIM's appeal.

On November 12, 2024, following Judgment no. 09315/2024 of the Regional Administrative Tribunal rendered on May 11 which found that the initial decision of the AGCM was lacking in grounds, the Authority ruled to initiate proceedings under Article 14 of Law no. 287/1990 (I857C) with the aim of redetermining the duration of the infringement referred to in the I857 proceedings.

At its hearing of June 24, 2025, the AGCM passed resolution extending the deadline for conclusion of the proceedings until December 31, 2025.

Antitrust case I874

On December 17, 2024, the AGCM (the Italian Competition Authority) ruled to initiate a preliminary investigation proceeding to assess the possible anti-competitiveness of certain clauses contained in the Master Service Agreement between TIM and FiberCop regulating the relations between those entities following the transfer of fixed network activities from TIM to FiberCop.

In June 2025, TIM and FiberCop submitted Commitments pursuant to Article 14-ter of Law No. 287/1990, consisting of measures aimed at overcoming the competition concerns raised by the Authority in the opening phase of the proceedings.

On July 30, 2025, the Authority published the Commitments on its website, considering them to be not manifestly unfounded and reserving the right to carry out any further assessment as to the suitability of the commitments to remove the restrictions of competition, thereby initiating the market test phase (i.e. asking the market for any comments, which must be received by 30 September 2025).

The proceedings must be concluded by January 31, 2026.

Universal Service

In a decision published in July 2015, the Council of State rejected the appeal lodged by AGCOM and TIM against the judgment of the Lazio Administrative Court (TAR) on the financing of the universal service obligations for the period 1999–2003. With this judgment the judge had granted the appeals by Vodafone, annulling AGCOM decisions 106, 107, 109/11/CONS on the renewal of the related proceedings, which included Vodafone among the subjects required to contribute, for a sum of approximately 38 million euros. Essentially, the judgment confirms that the Authority has not demonstrated the particular degree of "replaceability" between fixed and mobile telephony for mobile operators to be included among the subjects required to repay the cost of the universal service, which means that AGCOM needs to issue a new ruling. TIM has filed an application with AGCOM to renew the proceedings, and an appeal against the judgment of the Court of Appeal to the Court of Cassation (which subsequently ruled that the appeal was inadmissible).

In April 2016 Vodafone appealed against the Ministry of Economic Development (MISE) and TIM to the Council of State, for non-compliance with the judgment of the Council of State. This appeal referred to AGCOM decision 109/11/CONS (2003 yearly payment, on the basis of which Vodafone had paid the sum of approximately 9 million euros as contribution, restitution of which was requested).

In its judgment of November 2016, the Council of State rejected the appeal, referring to the Regional Administrative Court (TAR) the decision on the methods of compliance. In February 2017, Vodafone presented the Lazio Regional Administrative Court with four new appeals against the Ministry of Economic Development and TIM regarding observance of the ruling, upheld on appeal, countermanding the resolutions for the years 1999–2003 and repayment of the aforesaid amounts of around 38 million euros already paid to the Ministry of Economic Development as a contribution.

With a judgment issued in June 2018, the TAR rejected all of Vodafone's appeals for observance, and, as requested by TIM, expressly affirmed that AGCom must renew the proceedings, particularly with regard to the determination of the degree of replaceability between fixed and mobile telephony. Vodafone challenged the four judgments before the Council of State, which, with a decision of October 2019, upheld Vodafone's appeal and confirmed the restitutory obligation of the sums in question applicable to TIM.

With resolution no. 263/20/CIR, AGCOM started proceedings to renew the investigation into the iniquity of the net cost of the universal service for 1999-2009 and the allocation of contribution expenses. Vodafone has challenged this resolution before the Regional Administrative Court. The renewal proceedings concluded with resolution 18/21/CIR, which substantively confirmed the draft order. This same resolution has only been challenged before the regional administrative court by TIM for the years 1999 and 2000, while Vodafone, Wind and Fastweb have challenged the resolution for all years concerned with opposite grounds. By judgments published in February 2022, resolution 18/21/CIR was partially canceled; indeed, the regional administrative court has rejected the main complaint reporting the lack of power of renovation and upheld only the grounds hinged on the alleged unreasonable nature of the threshold envisaged by AGCOM for the analysis of iniquity second facie. Fastweb, Vodafone, Wind, AGCOM and TIM appealed the judgment of the Regional Administrative Court with the Council of State; The hearings on the merits were set for April 4 and April 27, 2023. At the end of the hearing on April 4, 2023, the case was reserved for judgment. On April 18, 2023, the Council of Ministers issued a collegial order referring several issues to the EU Court of Justice for a preliminary ruling.

The EU Court of Justice, in a ruling published on September 19, 2024, upheld the arguments of TIM's defense and rejected Vodafone's arguments, ruling that: (i) proof of a certain degree of fixed/mobile substitutability is not required for mobile operators to participate in the unfair burden sharing mechanism; (ii) it is up to Member States to establish the criteria for assessing burden unfairness. The hearing on the cases stayed in the Council of State pending the decision of the Court of Justice has been set for May 8, 2025.

The aforesaid judgments were therefore upheld in the judgments of May 20 and 26, 2025, rejecting all the main and incidental grounds of appeal, with the exception of the ground brought by Vodafone in which it contested the manner of the second-facie unfairness analysis and, in greater detail, the unfairness threshold value identified by AGCOM.

Iliad (winback)

By writ of summons served during the first quarter of 2020, Iliad Italia S.p.A. sued TIM before the Court of Milan for alleged anti-competitive conduct, including through the Kena Mobile brand, which was allegedly aimed at hindering its entry to and consolidation in the mobile phone market in Italy, seeking damages of at least 71.4 million euros.

TIM filed an appearance, fully disputing the requests of Iliad Italia S.p.A.; and, in turn, submitting a counterclaim in accordance with Art. 2598 of the Italian Civil Code, with reference to the denigration implemented by Iliad Italia S.p.A. in regard to TIM and formulating a symmetrical claim for damages. In the first pre-trial brief, Iliad updated its compensation claims to EUR 242.8 million and later to EUR 292.8 million

The proceedings ended in a judgment of September 25, 2023, which did not award Iliad any damages; TIM's counterclaim was declared inadmissible.

In its notice of appeal served on December 15, 2023, Iliad requested that the first-instance judgment be partially overturned, requesting, among other things, that TIM be ordered to pay full compensation of not less than 292.8 million euros for the pecuniary and non-pecuniary damage suffered by Iliad.

On April 17, 2024, TIM entered an appearance in court and lodged a counterappeal. At the hearing of May 8, 2024, the Judge reserved the right to decide on the preliminary applications. The Judge, in an order of May 29, 2024 rendering the judgment that had been reserved at the hearing of May 8, 2024, having found that the appellant in its appeal had once again offered as evidence part of the documents offered in the first instance solely on a USB stick and that said USB stick could still not be consulted in that it was protected by a password that had not been communicated, ruled that the password must be obtained and the USB stick accessed as a result in the adversarial proceedings between the parties, thus postponing the hearing of the parties until September 11, 2024. At the hearing of September 11, 2024, the Judge reserved the right to decide on the preliminary requests.

In an order of October 14, 2024, a hearing was set for April 30, 2025 for case to be remitted for decision. At the hearing on April 30, 2025, the investigating councillor, after acknowledging the filing of the final briefs, referred the case to the Board for decision. In a ruling published on June 25, 2025, the Court of Appeal rejected Iliad's appeal in its entirety.

Iliad (restrictions on duration and termination costs)

By writ of summons notified in September 2021, Iliad Italia S.p.A. summonsed TIM before the Court of Milan for the alleged application to customers of unlawful contractual conditions in terms of time limits and economic costs for withdrawal with reference to mobile and fixed telephone offers, with a consequent petition to order TIM to compensate damages, currently quantified as 120.4 million euros.

The hearing for closing arguments, originally set for May 28, 2024, was postponed first to June 10, 2025 and then to December 16, 2025.

Fastweb (Ethernet ATM migration)

By writ of summons notified in December 2021, TIM summonsed Fastweb before the Court of Milan, asking that it be ascertained and declared that Fastweb had not achieved the minimum objectives of migration from ATM bitstream technology to Ethernet bitstream technology in any of the 30 Collection Areas into which the national territory is divided by the deadline envisaged by industry regulation and the migration plan agreed by the parties; and therefore that it ascertain and declare that TIM is entitled to: (a) reverse the economic benefits relating to this migration granted retroactively from April 12, 2016 to Fastweb and (b) obtain from Fastweb the prices for the ATM bandwidth envisaged by the contract stipulated by the parties and the current Reference Offers in force ratione temporis; (c) therefore declare and order Fastweb to pay TIM the total amount of 79,240,329.47 euros (or other amount, potentially greater, as may be assessed during the course of proceedings).

Fastweb filed an appearance and submitted a counterclaim for abuse of a dominant market position and breach of contract. Fastweb's application is essentially based on alleged delays in the development of Ethernet coverage. The counterparty complains of damages of around 81.4 million euros. Having noted that the counterclaim made by Fastweb would appear to go beyond the profile of breach of contract and that, in this case, the specialized business chambers may be competent to judge the matter, the investigating judge has returned the case to the Chambers President for due consideration. The Chambers President has submitted the case to the President of the specialized business chambers. The first hearing was held on December 14, 2022. The hearing for the admission of the preliminary motions has been postponed to June 13, 2023. Subsequent to the filing of the preliminary motions, Fastweb re-quantified damage allegedly suffered as a result of TIM's unlawful conduct at approximately 101.1 million euros (of which 13.2 million euros is subject to the acceptance of TIM's main claim).

At the hearing of June 13, 2023, the investigating judge reserved judgment. To dissolve this reservation, the G.I. ordered an expert report to be prepared by a court-appointed expert, who was to be appointed and sworn in on November 21, 2023. The public hearing for the examination of the court-appointed expert witness has been scheduled for June 17, 2025.

The court-appointed expert submitted a new petition to the judge for a time extension to file the expert report. The investigating judge granted the petition and extended the deadline for filing the report to October 16, 2025 and set the hearing for discussion for November 4, 2025.

Iliad (INWIT)

By writ of summons served in July 2022, Iliad Italia S.p.A. summonsed Telecom, Vodafone and Infrastrutture Wireless Italiane S.p.A. ("INWIT") before the Court of Milan to assess the alleged unlawful conduct of INWIT, Telecom and Vodafone, consisting of refusal to allow Iliad to upgrade its mobile telephone transmission systems installed on INWIT-owned infrastructures. As a result of this conduct, Iliad has asked that Telecom be ordered, together with INWIT and Vodafone, to compensate the damages allegedly suffered, which it has reserved the right to quantify during the course of proceedings. The initial hearing took place on April 5, 2023, with the Judge reserving judgment on the objection as to the invalidity of the writ of summons brought by TIM. The initial hearing was deferred to October 11, 2023, following the admittance of the objection as to the invalidity of the writ of summons brought by TIM. At the hearing, the Judge set three dates for the exchange of pleadings between the parties: November 10, 2023, December 11, 2023, and January 2, 2024. At the end of the hearing of September 24, 2024 concerning the admission of evidence, the Judge adjourned the discussion of the same to the hearing on January 21, 2025. At the hearing of January 21, 2025, the parties requested, by mutual agreement, for the case to be postponed; A new hearing is scheduled for September 23, 2025.

VAS (Value Added Services) - Seizure by the Public Prosecutor's Office of Milan

On April 24, 2024, the hearing was heard before the Court of Review of Milan. The Court of Review was called upon to rule on the appeal lodged by TIM against the seizure order made against it by the investigating judge of the Court of Milan.

After hearing the case, the Court of Review upheld the appeal, entering a decision on April 26, 2024 which:

- ordered the seizure order for 248,941,282.30 euros against TIM to be quashed; and
- ordered everything previously seized from TIM to be returned.

In particular, the events that led to the seizure by the Milan Public Prosecutor's Office are summarized below.

On February 29, 2024, TIM had been notified of a seizure order issued on February 8, 2024 by the Judge for Preliminary Investigations of Milan, which had ordered the preventive seizure of the sums held in the current accounts in the Company's name, for a total amount of 248,941,282.30 euros.

The measure concerned an alleged computer fraud (Article 640-ter of the Criminal Code) in the field of the so-called "VAS" (i.e. Value Added Services) provided by third-party companies called CSPs (i.e. "Content Service Provider").

TIM is not under investigation in the proceedings in question, and that the offence in dispute is not among those that, pursuant to Legislative Decree no. 231 of 2001, could theoretically constitute a prerequisite for administrative offences, attributable to the Company.

With specific reference to TIM, evidence of a possible fraudulent phenomenon in the sector emerged only in 2019, due to the significant number of disavowals of VAS services recorded in that year.

During that period, the Company reported these events to the Public Prosecutor's Office of Rome, in whose proceedings, currently being dismissed, the Company's role as a victim of the crime was confirmed.

In addition, the Company promptly carried out all the necessary actions aimed at neutralizing the phenomenon of illicit activations of VAS services.

On March 10, 2025, the Public Prosecutor's Office of Milan gave notice that it had concluded its inquiries and that TIM was not under investigation pursuant to Legislative Decree no. 231 of 2001.

b) Other information

Vivendi S.E.

On December 15, 2023, TIM S.p.A. was served an ordinary writ of summons from the shareholder Vivendi, contesting the legitimacy of the board resolution of November 5, 2023 approving the sale of TIM's fixed network assets and the investments held in FiberCop S.p.A. and Telenergia S.r.l. ("NetCo") by Optics BidCo S.p.A. (a subsidiary of KKR). Vivendi did not make any application for precautionary injunction, nor did it request an urgent halt to executing the resolution and the consequent negotiations. The Company appeared in the proceedings to contest the merits of the arguments and requests made by Vivendi, confirming the legitimacy of the resolutions adopted by the Board of Directors and the agreements signed with Optics BidCo.

The Court of Milan, in its ruling of January 14, 2025, declared the application brought by Vivendi to be inadmissible due to a lack of interest in the action and a lack of standing, and ordered the plaintiff to pay TIM costs of approximately 40,000 euros. Vivendi filed a notice of appeal against the judgment, served on February 13, 2025, before later filing notice that it was withdrawing its lawsuit and appeal proceedings under Article 306 of the Civil Procedure Code.

Dispute concerning the license fees for 1998

TIM has summoned the Prime Minister's Office to appear in a civil suit for compensation for damages caused by the Italian State through appeal ruling 7506/09, handed down by the Council of State in breach, in the view of the Company, of Community law.

The main claim which the proceedings are founded on is based on community jurisprudence that recognizes the right to assert the responsibility of the State in relation to violation of rights recognized in community law and injured by a judgment that has become definitive, in respect of which no other remedy may be applied. The judgment of the Council of State definitively denied TIM the right to obtain restitution of the concession charge for 1998 (totalling 386 million euros for Telecom Italia and 143 million euros for the former TIM Company, plus interest), already denied by the Lazio regional administrative court despite the favourable and binding opinion of the European Court of Justice in February 2008. This judgment concerned the conflict between EC Directive 97/13 on general authorizations and individual licenses in the telecommunications services industry, and the national regulations that had deferred, for 1998, the obligation to pay the fee payable by telecommunications concession holders, despite the intervening deregulation process. The Company then proposed an alternative compensation claim, within the sphere of the same proceedings, for tort pursuant to art. 2043 of the Italian Civil Code. The compensation claimed has been quantified as approximately 529 million euros, plus legal interest and revaluation. The Avvocatura di Stato filed an appearance and submitted a counterclaim for the same sum. The case is subject to eligibility analysis by the Court, which declared the inadmissibility of TIM's main claim (case for damages for manifest breach of community law pursuant to law 117/88). However, this decision was amended in favor of the Company on appeal. In March 2015 the Rome Court issued its judgment in the first instance, declaring the Company's application inadmissible.

In 2015, TIM has appealed the decision, and the case is now pending the hearing specifying the nature of the forms of order sought. The Court of Appeal has scheduled the hearing for closing arguments for April 2, 2019. Thereafter, without any new procedural activities having taken place, the Court of Appeal incontrovertibly deferred the hearing for closing arguments first to 2020 and then to 2021 (from when the terms for conclusion and replies shall run, which will be followed shortly thereafter by the issue of the judgment). These deferrals were followed by the latest, of January 15, 2021, scheduling the new hearing for January 25, 2022.

On the matters underlying the case, the following must be noted:

- on the considered lack of jurisdiction of the Court of Rome (concerned by the judgment of the Court of Rome appealed by TIM) to judge the liability of the Italian government for the work of senior magistrates (in the case in point, the Council of State), which would have led to the declared inadmissibility of the claim in accordance with Art. 5, law no. 117/1978 (old text) - the United Chambers of the Court of Cassation ruled with judgment no. 14842 on June 7, 2018, confirming the jurisdiction of the Court of Rome and, therefore, the correctness of TIM’s choice to base its lawsuit in the Court of Rome;
- on the unlawful nature of the conduct of the Italian government – and, therefore, on the liability of the State-Court in accordance with Law no. 117/1998 – once again, the EU Court of Justice has ruled, deciding on the prejudicial matter raised by the Lazio TAR in other, connected proceedings, in its judgment given on March 4, 2020 in C-34/19, stressing that TIM was not required to pay the charges demanded by the State for 1998 and, therefore, confirming the clear violation by the Council of State of European Community law (also because in clear conflict with the decision already given by the EU Court of Justice on February 21, 2008 in C-296/06, as, moreover, already ruled by the Court of Appeal of Rome, Chambers I, in Decree of January 31, 2012, which sanctioned the procedural admissibility of TIM’s lawsuit);
- on the issue of the right to the repayment of the fee paid for the year 1998 - the Court of Cassation, in its judgment No. 18603 of 7 September 2020, ruled, rejecting the appeal filed by the Presidency of the Council of Ministers against the judgment with which the same Court of Appeal of Rome had upheld the restitutory claim filed by Vodafone (payment of the fee for the year 1998) for the same reason in a separate case.

In short, the company paid the charges disputed in 1998; it promptly challenged the administrative provision that had unfairly required said payment, before the administrative court; the administrative proceedings before the Council of State concluded negatively in 2009 (despite the recalled opposite judgment of the European Court of Justice); the civil proceedings of first instance concluded in March 2015 with a judgment of rejection for grounds of admissibility (then solved in the sense indicated by the company with the referenced judgment of Cassation in United Chambers no. 14842/18) and for more than 6 years after the first instance judgment – going from deferral to deferral - the appeal judgment was not issued.

The company examined the various scenarios and legal claims (national, European Community, etc.) that may contribute towards defining the appeal dispute. It is considered, in fact, that the principles of the reasonable duration of the trial, in accordance with subsection 2 of article 111 of the Constitution and in accordance with article 6 of the European Convention on Human Rights, are violated by these events, considering: (i) the year in which payment was made of the undue charges is 1998; (ii) the value of these charges is approximately 529 million euros plus interest from that date; (iii) the very long trial process that did not lead to an appeal ruling for years (the initiation of which is from the year 2015); (iv) the circumstance that the legal matter appears to be readily able to be settled, as not one but two judgments have already been given by the EU Court of Justice declaring payment of the charges to be incompatible with European Community legislation (judgments that have currently been ignored by the national court).

As part of these analyses aimed at deciding the appeal, on January 25, 2021 the company filed a request with the Court of Appeal in Rome to bring forward the hearing (postponed as mentioned to January 25, 2022). This is to avoid the umpteenth adjournment of the case, which concerns the failure to comply with two inter-partes decisions rendered in the matter by the EU Court of Justice for a manifest violation of European law by the State-Judge. With a ruling on February 8, 2021, the Rome Court of Appeal (second section specializing in corporate matters) deemed it could grant the request for an advance ruling, setting the hearing for November 30, 2021. On that date the case was taken to decision with the assignment of the legal terms for closing statements and replies. By order of February 22, 2022, having acknowledged that one of its members had chosen to abstain, the Board re-submitted the case, arranging for the deeds to be sent onto the President of the Court of Appeal. On March 4, 2022, the case was reassigned to another judge. By judgment of March 31, 2022, the Board scheduled the hearing for December 1, 2022 for closing arguments. The Board deferred the case to the hearing of January 19, 2023 for verbal discussion. Following the request made by the State advocacy, the case was again deferred until March 9, 2023. At the hearing on December 13, 2023, the Board granted the parties time to submit their closing statements and replies.

In its judgment no. 2320/2024 entered on April 3, 2024, the Court of Appeal of Rome upheld the claim brought by the Company, thus overturning the judgment against TIM and ordering the Presidency of the Council of Ministers to pay 528,711,476 euros, adjusted for inflation and plus the statutory interest accrued since the date the appeal was files, with costs awarded to the Company in the amount of 550,000.00 euros plus ancillary charges.

On October 14, 2024, the Presidency of the Council of Ministers served notice of the appeal to the Court of Cassation. On November 19, 2024, the Presidency of the Council of Ministers filed a motion to stay the ruling in the Rome Court of Appeals, which, at a hearing held on December 16, 2024, postponed the hearing to January 20, 2025. The Court of Appeals, in its order published on January 22, 2025, rejected the application of the Presidency of the Council of Ministers for an injunction against the enforceable effects of the Court of Appeals’ ruling. The public hearing of the Presidency of the Council appeal before the Supreme Court has been set for May 27, 2025.

At the hearing, the Court noted ex officio that, for the purposes of the decision to be rendered on the appeals, it was necessary to preliminarily examine the question of the correctness or otherwise of the appeal filed by TIM against Sentence No. 6174 of 2015 rendered at first instance by the Court of Rome, granting the parties a 30-day period to file observations, submitted by TIM within the time limits, reserving the decision to the outcome.

c) Commitments and guarantees

Guarantees, net of back-to-back guarantees received, amounted to 607 million euros.

The guarantees provided by third parties to Group companies, amounting to 6,457 million euros, mainly related to guarantees provided by banks and financial institutions as a guarantee of the proper performance of contractual obligations and related to insurance guarantees.

In particular, we report:

- the insurance guarantees of the Domestic Business Unit, which totaled 1,680 million euros, mainly refer to guarantee financing by the TIM Group in applying legal provisions for contracts of Public Administrations and similar bodies;
- the insurance guarantees of the Brazil Business Unit, which totaled 3,052 million euros, mainly refer to surety bonds provided primarily for litigation and for telecommunications services using 4G and 5G technology;
- the TIM Group had bank guarantees issued in favor of INPS in support of the application – by TIM and some Group companies – of Article 4 of Italian Law 92 of June 28, 2012 and Article 41, paragraph 5-bis of Italian Legislative Decree 148/2015 or the voluntary redundancy of employees meeting the requirements; the total amount of those bank guarantees issued is 879 million euros, including 816 million euros for TIM S.p.A. and 63 million euros for Group companies.

Lastly, in May 2018, TIM obtained a surety in favor of the Prime Minister's Office for 74 million euros to secure an appeal to the Lazio Administration Court for a provisional stay of the administrative fine levied on TIM following the preliminary investigation connected with the penalty proceeding initiated under Article 2 of Decree Law 21 of 3/15/2012 (the "Golden Power" law).

NOTE 23
REVENUES

These items consisted of:

(million euros)	1st Half 2025	1st Half 2024
Equipment sales	397	433
Services	6,200	6,227
Total	**6,597**	**6,660**

Revenues from telecommunications services are presented gross of amounts due to other Tlc operators, equal to 305 million euros (281 million euros in the first half of 2024), included in Costs of services.

For a breakdown of revenues by operating segment/geographical area, reference should be made to the Note "Segment Reporting".

NOTE 24
FINANCE INCOME AND EXPENSES

Finance income (expenses) showed a net expense of 483 million euros (expense of 797 million euros in the first half of 2024) and comprises:

(million euros)	1st Half 2025	1st Half 2024
Finance income	547	689
Finance expenses	(1,030)	(1,486)
Net finance income (expenses)	**(483)**	**(797)**

The items break down as follows:

(million euros)		1st Half 2025	1st Half 2024
Interest expenses and other finance expenses:			
Interest expenses and other costs relating to bonds		(255)	(473)
Interest expenses to banks		(38)	(189)
Interest expenses to others		(43)	(36)
Finance expenses on lease liabilities		(143)	(155)
		(479)	**(853)**
Commissions		(33)	(37)
Other finance expenses		(91)	(142)
		(124)	**(179)**
Interest income and other finance income:			
Interest income		81	68
Income from financial receivables, recorded in Non-current assets		3	80
Income from securities other than investments, recorded in Non-current assets		—	—
Income from securities other than investments, recorded in Current assets		14	11
Miscellaneous finance income		59	23
		157	**182**
Total net finance interest/(expenses)	**(a)**	**(446)**	**(850)**
Other components of finance income and expenses:			
Net exchange gains and losses		(10)	(10)
Net result from derivatives		7	37
Net fair value adjustments to fair value hedge derivatives and underlying instruments		—	—
Net fair value adjustments to non-hedging derivatives		(34)	26
Total other components of finance income and expenses	**(b)**	**(37)**	**53**
Total net finance income (expenses)	**(a+b)**	**(483)**	**(797)**

For greater clarity of presentation, the net effects relating to derivative financial instruments are summarized in the following table:

(million euros)		1st Half 2025	1st Half 2024
Foreign currency conversion gains		249	179
Exchange losses		(259)	(189)
Net exchange gains and losses		**(10)**	**(10)**
Income from fair value hedge derivatives		—	—
Charges from fair value hedge derivatives		—	—
Net result from fair value hedge derivatives	**(a)**	**—**	**—**
Positive effect of the reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)		95	239
Negative effect of the reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)		(82)	(198)
Net effect of the Reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)	**(b)**	**13**	**41**
Income from non-hedging derivatives		23	26
Charges from non-hedging derivatives		(29)	(30)
Net result from non-hedging derivatives	**(c)**	**(6)**	**(4)**
Net result from derivatives	**(a+b+c)**	**7**	**37**
Positive fair value adjustments to fair value hedge derivatives		4	—
Negative fair value adjustments relating to financial assets and liabilities underlying fair value hedge derivatives		(4)	—
Net fair value adjustments	**(d)**	**—**	**—**
Positive fair value adjustments to Underlying financial assets and liabilities of fair value hedge derivatives		—	—
Negative fair value adjustments relating to fair value hedge derivatives		—	—
Net fair value adjustments	**(e)**	**—**	**—**
Net fair value adjustments to fair value hedge derivatives and underlying instruments	**(d+e)**	**—**	**—**
Positive fair value adjustments to non-hedging derivatives	(f)	19	63
Negative fair value adjustments to non-hedging derivatives	(g)	(53)	(37)
Net fair value adjustments to non-hedging derivatives	**(f+g)**	**(34)**	**26**

NOTE 25
PROFIT (LOSS) FOR THE PERIOD

The profit (loss) for the period can be analyzed as follows:

(million euros)	1st Half 2025	1st Half 2024
Profit (loss) for the period	**(38)**	**(503)**
Attributable to:		
Owners of the Parent:		
Profit (loss) from continuing operations	(90)	92
Profit (loss) from Discontinued operations / Non-current assets held for sale	(42)	(738)
Profit (loss) for the period attributable to owners of the Parent	**(132)**	**(646)**
Non-controlling interests:		
Profit (loss) from continuing operations	94	80
Profit (loss) from Discontinued operations / Non-current assets held for sale	—	63
Profit (loss) for the period attributable to Non-controlling interests	**94**	**143**

The result related to **'Discontinued operations/Non-current assets held for sale'** for the first half of 2025 mainly relates to the economic results of the Telecom Italia Sparkle Group, which is classified as an available-for-sale asset in accordance with IFRS 5. The result for the first half of 2024 also includes the results of the fixed network business of TIM, FiberCop S.p.A. and Telenergia S.r.l. ("NetCo") (-640 million euros).

The **Net loss for the first half of 2025** was 38 million euros (loss of 132 million euros **attributable to owners of the Parent**).

NOTE 26
EARNINGS PER SHARE

		1st Half 2025	1st Half 2024
Basic earnings per share			
Profit (loss) for the period attributable to owners of the Parent		(132)	(646)
Less: additional dividends for the savings shares (0.011 euros per share and up to capacity)		—	—
	(million euros)	(132)	(646)
Average number of ordinary and savings shares	(millions)	21,261	21,258
Basic earnings per share – Ordinary shares	(euros)	(0.01)	(0.03)
Plus: additional dividends per savings share		—	—
Basic earnings per share – Savings shares	(euros)	(0.01)	(0.03)
Basic earnings per share from continuing operations			
Profit (loss) from continuing operations attributable to Owners of the Parent		(90)	92
Less: additional dividends for the savings shares		—	—
	(million euros)	(90)	92
Average number of ordinary and savings shares	(millions)	21,261	21,258
Basic earnings per share from continuing operations – Ordinary shares	(euros)	(0.01)	0.00
Plus: additional dividends per savings share		—	—
Basic earnings per share from continuing operations – Savings shares	(euros)	(0.01)	0.00
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent			
Profit/(loss) from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent	(million euros)	(42)	(738)
Average number of ordinary and savings shares	(millions)	21,261	21,258
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Ordinary Share	(euros)	0.00	(0.03)
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Savings Share	(euros)	0.00	(0.03)

	1st Half 2025	1st Half 2024
Average number of ordinary shares	15,233,023,694	15,230,150,487
Average number of savings shares	6,027,791,699	6,027,791,699
Total	**21,260,815,393**	**21,257,942,186**

		1st Half 2025	1st Half 2024
Diluted earnings per share			
Profit (loss) for the period attributable to owners of the Parent		(132)	(646)
Dilution effect of stock option plans and convertible bonds (*)		—	—
Less: additional dividends for the savings shares (0.011 euros per share and up to capacity)		—	—
	(million euros)	(132)	(646)
Average number of ordinary and savings shares	(millions)	21,261	21,261
Diluted earnings per share – Ordinary shares	(euros)	(0.01)	(0.03)
Plus: additional dividends per savings share		—	—
Diluted earnings per share – Savings shares	(euros)	(0.01)	(0.03)
Diluted earnings per share from continuing operations			
Profit (loss) from continuing operations attributable to Owners of the Parent		(90)	92
Dilution effect of stock option plans and convertible bonds (*)		—	—
Less: additional dividends for the savings shares		—	—
	(million euros)	(90)	92
Average number of ordinary and savings shares	(millions)	21,261	21,261
Diluted earnings per share from continuing operations – Ordinary shares	(euros)	(0.01)	0.00
Plus: additional dividends per savings share		—	—
Diluted earnings per share from continuing operations – Savings shares	(euros)	(0.01)	0.00
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent			
Profit/(loss) from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent	(million euros)	(42)	(738)
Dilution effect of stock option plans and convertible bonds		—	—
Average number of ordinary and savings shares	(millions)	21,261	21,261
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Ordinary Share	(euros)	0.00	(0.03)
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Savings Share	(euros)	0.00	(0.03)

	1st Half 2025	1st Half 2024
Average number of ordinary shares (*)	15,233,023,694	15,233,023,694
Average number of savings shares	6,027,791,699	6,027,791,699
Total	**21,260,815,393**	**21,260,815,393**

(*) The average number of ordinary shares also includes potential ordinary shares relating to employee stock ownership plans for which the performance conditions (market and otherwise) have been met. Consequently, the "Net profit (loss) for the period attributable to owners of the Parent" and the "Profit (loss) from continuing operations attributable to owners of the Parent" are also adjusted to exclude the effects, net of tax, related to the above-mentioned plans. As regards the first half of 2025 and 2024, however, these effects have not been included in the calculation insofar as, in accordance with the provisions of IAS 33, the latter are allegedly anti-diluting.

Future potential changes in share capital

The table below shows future potential changes in share capital, based on the long-term share incentive plans, still outstanding at June 30, 2025:

	Number of maximum shares issuable	**Share capital** (thousands of euros)	**Additional paid-in capital** (thousands of euros)	**Subscription price per share** (euros)
Capital increases already approved (ordinary shares)				
Stock Options Plan 2022-2024	212,738,790	90,201		0.424
Total	**212,738,790**	**90,201**		

Further information is provided in Note 14 "Non-current and current financial liabilities" and Note 29 "Equity compensation plans".

NOTE 27
SEGMENT REPORTING

a) Segment reporting

The operating segments of the TIM Group, organized for the telecommunications business and the related geographical location are as follows:

The operating segments of the TIM Group are as follows:

- **Domestic**: includes the activities in Italy relating to voice and data services on fixed and mobile networks for end users (retail) and other operators (MVNOs)), the operations of Noovle S.p.A. (Cloud and Edge Computing solutions), the activities of Olivetti (products and services for Information Technology), and, Domestic sector support structures;
- **Brazil**: includes mobile and fixed telecommunications operations in Brazil (TIM S.A.);
- **Other operations**: include the financial companies (Telecom Italia Capital S.A. and Telecom Italia Finance S.A.) and other minor companies not strictly related to the TIM Group's core business.

The TIM Group has embarked on a transformation process which aims to overcome the Group’s vertically integrated model by forming separate entities with different industrial and economic focuses. To date, these entities cannot be considered an “operating segment” within the meaning of IFRS 8 – Operating Segments, since these are still in an analytical design and subsequent implementation phase and, therefore, do not have a detailed set of economic and financial information.

In the course of 2025, once this process has been brought to completion, an assessment will be completed to identify the operating segments in accordance with IFRS 8, with reference to the specific indications provided for by the standard itself (autonomy of operating flows, methods of allocating financial resources, management reporting, etc.).

Separate Consolidated Income Statements by Operating Segment

(million euros)	Domestic		Brazil		Other Operations		Adjustments and eliminations		Consolidated Total	
	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024
Third-party revenues	4,535	4,402	2,062	2,257	—	—	—	1	6,597	6,660
Intragroup revenues	12	16	2	—	—	—	(14)	(16)	—	—
Revenues by segment	**4,547**	**4,418**	**2,064**	**2,257**	**—**	**—**	**(14)**	**(15)**	**6,597**	**6,660**
Other income	123	39	12	10	—	—	—	—	135	49
Total operating revenues and other income	**4,670**	**4,457**	**2,076**	**2,267**	**—**	**—**	**(14)**	**(15)**	**6,732**	**6,709**
Acquisition of goods and services	(3,065)	(2,414)	(793)	(860)	(1)	(1)	15	14	(3,844)	(3,261)
Employee benefits expenses	(582)	(563)	(153)	(173)	(1)	(1)	—	—	(736)	(737)
of which: provisions for employee severance indemnities	—	—	—	—	—	—	—	—	—	—
Other operating expenses	(119)	(101)	(171)	(205)	(2)	(2)	(1)	(1)	(293)	(309)
of which: write-downs and expenses in connection with credit management and provision charges	(67)	(62)	(59)	(70)	—	—	—	—	(126)	(132)
Change in inventories	(5)	11	10	15	—	—	—	1	5	27
Internally generated assets	88	117	46	51	—	—	1	3	135	171
EBITDA	**987**	**1,507**	**1,015**	**1,095**	**(4)**	**(4)**	**1**	**2**	**1,999**	**2,600**
Depreciation and amortization	(914)	(931)	(560)	(639)		—	1	(1)	(1,473)	(1,571)
Gains (losses) on disposals of non-current assets	(1)	(5)	4	5	—	—	—	—	3	—
Impairment reversals (losses) on non-current assets	—	(14)	—	—	—	—	—	—	—	(14)
EBIT	**72**	**557**	**459**	**461**	**(4)**	**(4)**	**2**	**1**	**529**	**1,015**
Share of profits (losses) of associates and joint ventures accounted for using the equity method	(3)	(5)	(8)	(8)	—	—	—	—	(11)	(13)
Other income/(expense) from investments									1	2
Finance income									547	689
Finance expenses									(1,030)	(1,486)
Profit (loss) before tax from continuing operations									**36**	**207**
Income tax expense									(32)	(35)
Profit (loss) from continuing operations									**4**	**172**
Profit (loss) from Discontinued operations / Non-current assets held for sale									(42)	(675)
Profit (loss) for the period									**(38)**	**(503)**
Attributable to:										
Owners of the Parent									**(132)**	**(646)**
Non-controlling interests									94	143

Revenues by operating segment

(million euros)	Domestic		Brazil		Other Operations		Adjustments and eliminations		Consolidated Total	
	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024
Revenues from equipment sales - third party	343	363	54	70	—	—	—	—	397	433
Revenues from equipment sales - intragroup	—	—	(1)	—	—	—	1	—	—	—
Total revenues from equipment sales	**343**	**363**	**53**	**70**	—	**—**	**1**	**—**	**397**	**433**
Revenues from services - third party	4,192	4,039	2,008	2,187	—	—	—	1	6,200	6,227
Revenues from services - intragroup	12	16	3	—	—	—	(15)	(16)	—	—
Total revenues from services	**4,204**	**4,055**	**2,011**	**2,187**	—	**—**	**(15)**	**(15)**	**6,200**	**6,227**
Total third-party revenues	4,535	4,402	2,062	2,257	—	—	—	1	6,597	6,660
Total intragroup revenues	12	16	2	—	—	—	(14)	(16)	—	—
Total revenues by operating segment	**4,547**	**4,418**	**2,064**	**2,257**	**—**	**—**	**(14)**	**(15)**	**6,597**	**6,660**

Purchase of intangible, tangible and right of use assets by operating segment

(million euros)	Domestic		Brazil		Other Operations		Adjustments and eliminations		Consolidated Total	
	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024
Purchase of intangible assets	264	290	118	96	—	—	—	—	382	386
Purchase of tangible assets	196	211	235	319	—	—	—	—	431	530
Purchase of right of use assets	60	104	277	266	—	—	—	—	337	370
Total purchases of intangible assets, tangible assets and right of use assets	**520**	**605**	**630**	**681**	**—**	**—**	**—**	**—**	**1,150**	**1,286**
of which: capital expenditures	*481*	*523*	*353*	*415*	*—*	*—*	*—*	*—*	*834*	*938*
of which: increases in lease/leasing contracts for right of use assets	*39*	*82*	*277*	*266*	*—*	*—*	*—*	*—*	*316*	*348*

Headcount by Operating Segment

(number of units)	Domestic		Brazil		Other Operations		Consolidated Total	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024
Headcount	**17,073**	**17,751**	**8,904**	**9,123**	**13**	**13**	**25,990**	**26,887**

Assets and liabilities by Operating Segment

(million euros)	Domestic		Brazil		Other Operations		Adjustments and eliminations		Consolidated Total	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024
Non-current operating assets	19,211	20,304	6,639	6,558	1	1	1	—	25,852	26,863
Current operating assets	3,242	3,322	1,104	1,017	16	16	(38)	(48)	4,324	4,307
Total operating assets	22,453	23,626	7,743	7,575	17	17	(37)	(48)	30,176	31,170
Investments accounted for using the equity method	49	52	206	213	—	—	—	—	255	265
Discontinued operations /Non-current assets held for sale									1,139	—
Unallocated assets									4,877	6,228
Total Assets									**36,447**	**37,663**
Total operating liabilities	5,981	6,708	2,052	1,978	18	19	(64)	(52)	7,987	8,653
Liabilities directly associated with Discontinued operations/Non-current assets held for sale									1,006	—
Unallocated liabilities									14,255	15,649
Equity									13,199	13,361
Total Equity and Liabilities									**36,447**	**37,663**

b) Reporting by geographical area

(million euros)		Revenues				Non-current operating assets	
		Breakdown by location of operations		Breakdown by location of customers		Breakdown by location of operations	
		1st Half 2025	1st Half 2024	1st Half 2025	1st Half 2024	6/30/2025	12/31/2024
Italy	(a)	4,529	4,397	4,499	4,362	19,202	20,093
Outside Italy	(b)	2,068	2,263	2,098	2,298	6,650	6,770
Total	**(a+b)**	**6,597**	**6,660**	**6,597**	**6,660**	**25,852**	**26,863**

c) Information about major customers

None of the TIM Group's customers make up for more than 10% of consolidated revenues.

NOTE 28
RELATED-PARTY TRANSACTIONS

The following tables show the figures relating to related party transactions and the impact of those amounts on the TIM Group's Separate Consolidated Income Statements, Consolidated Statements of Financial Position and consolidated statements of cash flows.

Pursuant to Art. 5, paragraphs 8 and 9, of Consob Regulation no. 17221 of March 12, 2010 concerning "Related-party transactions" and subsequent amendments, in the 2024 financial year there are no transactions of greater importance, as defined by the Art. 4, paragraph 1, letter. a) of the aforementioned regulation which have significantly influenced the financial situation or results of the TIM Group.

In addition, there were no transactions concluded in the first half of 2025 that significantly impacted the equity position or results of the TIM Group, nor were there any changes or developments with respect to the related-party transactions described in the 2024 Report on Operations which had a significant effect on the financial position or on the performance of the TIM Group in the first half of 2025.

It should also be noted that

- on October 4, 2024, at the same time as receiving the first non-binding offer for the purchase of Telecom Italia Sparkle, the Board of Directors identified the Ministry of Economy and Finance (MEF) as a related party of TIM. For the purposes of the Half-Year Financial Report at June 30, 2025, as required by IAS 24 paragraph 26, a qualitative analysis was carried out on existing relationships with MEF subsidiaries. This analysis showed that these relationships are mainly related to purchases of goods and services (energy, transportation, postal services) that are conducted at normal market conditions;
- During the first half of 2025, "Relevant Shareholding Notifications - Form 120A" were served, giving notice of the following changes in the shareholding structure in TIM S.p.A., which resulting in a change in the perimeter of the Related Parties included in "Other Related Parties":
  - Vivendi SE's stake in the ordinary share capital of TIM S.p.A. decreased to 2.506%; Therefore, as of the end of June 2025, the Vivendi Group and the companies in the group that it belongs to are no longer included in "Other Related Parties'";
  - the relevant shareholding of 9.81% held by Cassa Depositi e Prestiti S.p.A. in TIM S.p.A., was transferred in its entirety to Poste Italiane S.p.A; Therefore, as of March 2025, the Cassa Depositi e Prestiti Group and the companies in the group that it belongs to are no longer included among "Other Related Parties'";
  - Poste Italiane S.p.A. holds a relevant shareholding in TIM S.p.A. equal to 24.81% of the ordinary share capital. Therefore, as of the end of Jund 2025, the Poste Italiane Group is included among "Other Related Parties".

Related-party transactions, when not dictated by specific laws, were conducted at arm's length. They were performed in compliance with the internal procedure, which sets forth rules designed to ensure the transparency and fairness of the transactions in accordance with Consob Regulation 17221/2010. The current procedure is available on the website gruppotim.it, under the Group - Governance - Governance Tools - Other Codes and Procedures section.

The effects of the related-party transactions on the TIM Group separate consolidated income statement line items for the first half of 2025 and 2024 are as follows:

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS FOR THE FIRST HALF OF 2025

(million euros)	**Total**	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	Key Managers	**Total related parties**	Discontinued Operations relationships	**Total related parties net of Disc.Op.**	% of financial statement item
	(a)							**(b)**	**(b/a)**
Revenues	**6,597**	97	5			**102**	1	**101**	1.5
Acquisition of goods and services	**3,844**	40	71			**111**	—	**111**	2.9
Employee benefits expenses	**736**			21	6	**27**	(1)	**26**	3.5
Finance income	**547**	—	8	—		**8**	—	**8**	1.5
Finance expenses	**1,030**	1				**2**	1	**3**	0.3
Profit (loss) from Discontinued operations / Non-current assets held for sale	**(42)**		2	(1)		**1**			

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS FOR THE FIRST HALF OF 2024

(million euros)	**Total**	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	Key Managers	**Total related parties**	Discontinued Operations relationships	**Total related parties net of Disc.Op.**	% of financial statement item
	(a)							**(b)**	**(b/a)**
Revenues	**6,660**	45	50			**95**	8	**103**	1.5
Acquisition of goods and services	**3,261**	53	85			**138**	—	**138**	4.2
Employee benefits expenses	**737**			36	7	**43**	(18)	**25**	3.4
Depreciation and amortization	**1,571**	—	3			**3**	(3)	**—**	—
Finance income	**689**		1			**1**	—	**1**	0.1
Finance expenses	**1,486**	2				**2**	—	**2**	0.1
Profit (loss) from Discontinued operations / Non-current assets held for sale	**(675)**	(1)	12	17	1	**29**			

The effects of related-party transactions on the TIM Group separate consolidated statements of financial position line items at June 30, 2025 and December 31, 2024, are as follows:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT 6/30/2025

(million euros)	**Total** (a)	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	**Total related parties** (b)	Discontinued Operations relationships	**Total related parties net of Disc.Op.** (b)	% of financial statement item (b/a)
Net financial debt								
Securities other than investments (current assets)	**(1,441)**	—	(384)		**(384)**	—	**(384)**	26.6
Current financial liabilities for financing contracts and others	**3,967**	(1)			**(1)**	—	**(1)**	—
Total net financial debt	**10,554**	(1)	(384)	—	**(385)**	—	**(385)**	(3.6)
Other statement of financial position line items								
Miscellaneous receivables and other non-current assets	**1,717**	3	—		**3**	—	**3**	0.2
Trade and miscellaneous receivables and other current assets	**4,096**	230	7		**237**	—	**237**	5.8
Miscellaneous payables and other non-current liabilities	**658**	—	—		**—**	—	**—**	—
Trade and miscellaneous payables and other current liabilities	**6,754**	12	21	13	**46**	(1)	**45**	0.7

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT 12/31/2024

(million euros)	**Total** (a)	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	**Total related parties** (b)	% of financial statement item (b/a)
Net financial debt						
Securities other than investments (current assets)	**(1,539)**		(437)		**(437)**	28.4
Current financial receivables arising from lease contracts	**(44)**		(24)		**(24)**	54.5
Current financial liabilities for financing contracts and others	**3,870**	(1)			**(1)**	—
Total net financial debt	**10,237**	**(1)**	**(461)**		**(462)**	**(4.5)**
Other statement of financial position line items						
Right of use assets	**3,467**		1		**1**	—
Miscellaneous receivables and other non-current assets	**1,795**	3			**3**	0.2
Trade and miscellaneous receivables and other current assets	**4,146**	191	12		**203**	4.9
Trade and miscellaneous payables and other current liabilities	**7,074**	16	31	12	**59**	0.8

The effects of the related-party transactions on the TIM Group consolidated statement of cash flows line items for the first half of 2025 and the 2024 financial year are as follows:

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS FIRST HALF 2025

(million euros)	Total (a)	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	Total related parties	Discontinued Operations relationships	Total related parties net of Disc.Op. (b)	% of financial statement item (b/a)
Purchase of intangible, tangible and rights of use assets on an accrual basis	**1,150**	—	—		**—**	—	**—**	—

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS FIRST HALF 2024

(million euros)	Total (a)	Associates, subsidiaries of associates and joint ventures	Other related parties	Pension funds	Total related parties	Discontinued Operations relationships	Total related parties net of Disc.Op. (b)	% of financial statement item (b/a)
Purchase of intangible, tangible and rights of use assets on an accrual basis	**1,286**	16	12		**28**	1	**27**	2.2

Transactions with associates, subsidiaries of associates and joint ventures

The most significant values of the transactions with associates, subsidiaries of associates and joint ventures are summarized in the tables below.

It should be reminded that the investments in Italtel S.p.A. and NordCom S.p.A. were sold by TIM S.p.A. on July 4, 2024 and July 15, 2024, respectively.

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS

(million euros)	1st Half 2025	1st Half 2024	TYPE OF CONTRACT
Revenues			
Polo Strategico Nazionale S.p.A.	108	57	Supply of software and related installation and configuration services; security services; cloud services, Data Center spaces, connectivity, design.
Italtel S.p.A.	—	1	Fixed and mobile telephony services including equipment, licenses and outsourcing services.
TIMFin S.p.A.	(11)	(13)	Mobile and fixed voice services, outsourcing services and fees; costs related to financing transactions recognised as a reduction of the Parent Company TIM S.p.A.'s revenues.
Total revenues	**97**	**45**	
Acquisition of goods and services			
I-Systems S.A.	36	38	Supply of multimedia communication services and capacity services.
Italtel S.p.A.	—	11	Supply of equipment and software licenses and related professional services; hardware and software maintenance services linked to TIM offers to end customers; network and security equipment maintenance services for a period of 24 months linked to the TIM offer for the customer Poste Italiane; supplies for the expansion of TIM's fiber network.
W.A.Y. S.r.l.	3	3	Supply, installation and technical assistance services for geolocation equipment provided as part of offers to TIM customers, software development.
NordCom S.p.A.	—	1	Purchase and development of IT solutions, customized services as part of TIM offerings for end customers, rentals for SRB hosting.
Polo Strategico Nazionale S.p.A.	1		
Total acquisition of goods and services	**40**	**53**	
Finance expenses			
TIMFin S.p.A.	1	2	Finance expenses for commission and other finance expenses.
Total finance expenses	**1**	**2**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	6/30/2025	12/31/2024	TYPE OF CONTRACT
Net financial debt			
Current financial liabilities for financing contracts and others	**(1)**	**(1)**	Financial liabilities for expenses on the transfer of receivables in respect of TIMFin S.p.A.
non-current assets	**3**	**—**	
Polo Strategico Nazionale S.p.A.	224	185	Supply of products, software installation and configuration services, cloud servers, Data Center spaces, connectivity and design.
I-Systems S.A.	4	4	Services related to network operation and maintenance.
TIMFin S.p.A.	1	1	Miscellaneous costs for loans.
W.A.Y. S.r.l.	1	—	Supply, installation and technical assistance services for geolocation equipment provided as part of offers to TIM customers, software development.
Other minor companies	—	1	
Total trade and miscellaneous receivables and other current assets	**230**	**191**	
Trade and miscellaneous payables and other current liabilities			
I-Systems S.A.	9	9	Supply of multimedia communication services and capacity services.
TIMFin S.p.A.	—	3	Miscellaneous costs for loans.
W.A.Y. S.r.l.	2	3	Supply, installation and technical assistance services for geolocation equipment provided as part of offers to TIM customers, software development.
Total trade and miscellaneous payables and other current liabilities	**12**	**16**	

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	1st Half 2025	1st Half 2024	TYPE OF CONTRACT
Purchase of intangible, tangible and rights of use assets on an accrual basis			
Italtel S.p.A.	—	16	Software development, FTTH design for FiberCop works, supply of hardware and software, installations of hardware and engineering services for the network platforms; supplies for the expansion of TIM's fiber network.
Total purchases of intangible, tangible and right of use assets on a cash basis	**—**	**16**	

Transactions with other related parties (through directors, statutory auditors and key managers, as well as participants in shareholder agreements pursuant to Article 122 of the Consolidated Law on Finance)

Details are provided below of the transactions with:

- the Vivendi Group and the companies in the group that it belongs to, which as of the end of June 2025 are no longer included in "Other Related Parties'";
- the Cassa Depositi e Prestiti Group and the companies in the group that it belongs to, which as of the end of March 2025 are no longer included in "Other Related Parties'";
- the Poste Italiane Group, which as of the end of June 2025 is included in "Other Related Parties'".
- Ministry of Economy and Finance (MEF);
- companies related through Directors, Statutory Auditors and Key Managers with strategic responsibilities.

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS

(million euros)	1st Half 2025	1st Half 2024	TYPE OF CONTRACT
Revenues			
Cassa Depositi e Prestiti Group	4	50	Transfer of rights to use lead-in ducts and revenues for the rental of vertical segments, IRU transfer of rights to use dark fiber installation and infrastructures; supply of housing, dark fiber maintenance and dedicated GEA/Giganet connectivity services, fixed and mobile voice services and devices, application outsourcing services, cloud services, maintenance services to Open Fiber (formerly Metroweb) and electricity supply services.
Total revenues	**5**	**50**	
Acquisition of goods and services			
Cassa Depositi e Prestiti Group	—	1	Concession of the installation of sheaths for telecommunication cables along the motorway segments (occupation of soil and movement of cables) and maintenance of the Open Fiber (formerly Metroweb) network of Milan and Genoa (primary network portion).
Havas Group	69	80	Service & advisory activities in the purchase of media space by the TIM Group; study and implementation of advertising campaigns for the TIM and KENA brands, editorial management services for TIM brands on social media and TIM Group data room management services.
Vivendi group	2	4	Operational management of TIM's "TIM I Love Games" online store platform and related developments; TIM cloud gaming (TIMGAMES) service in SaaS mode; use of My Canal platform licenses.
Total acquisition of goods and services	**71**	**85**	
Depreciation and amortization	**—**	**3**	Purchase of underground infrastructure in black areas and purchase of connected fiber to Open Fiber (formerly Metroweb), a company of the Cassa Depositi e Prestiti group.
Finance income			
Ministry of Economy and Finance	8	—	Income from bonds
Cassa Depositi e Prestiti Group	—	1	
Total finance income	**8**	**1**	
Finance expenses			
Ministry of Economy and Finance	1	—	Capital loss on securities disposal
Total finance expenses	**1**	**0**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	6/30/2025	12/31/2024	TYPE OF CONTRACT
Net financial debt			
Securities other than investments (current assets)	(384)	(437)	Bond securities issued by the Ministry of Economy and Finance (MEF).
Financial receivables and other current financial assets	—	(24)	Lease agreements for infrastructure with Open Fiber (Cassa Depositi e Prestiti group).
Total financial receivables and other current financial assets	**(384)**	**(461)**	
Other statement of financial position line items			
Right of use assets	**—**	**1**	Supply and installation of vertical segments and infrastructures for Open Fiber (a company of the Cassa Depositi e Prestiti group).
Trade and miscellaneous receivables and other current assets			
Poste Italiane Group	7		
Cassa Depositi e Prestiti Group	—	10	IRU transfer of rights to use dark fiber installation and infrastructures; supply of housing, dark fiber maintenance and dedicated GEA/Giganet connectivity services, fixed and mobile voice services and devices, application outsourcing services, cloud services, maintenance services and electricity supply.
Havas Group	—	2	Prepaid expenses related to costs for advertising services.
Total trade and miscellaneous receivables and other current assets	**7**	**12**	Sale of equipment, telephony and ITC services; Maintenance and security activities.
Trade and miscellaneous payables and other current liabilities			
Poste Italiane Group	21		Contract to provide invoice and business correspondence delivery services to Telecom Italia Group customers. through the Posta Contes service
Cassa Depositi e Prestiti Group	—	1	Concession of the installation of sheaths for telecommunication cables along the motorway segments (occupation of soil and movement of cables), use and maintenance of the Open Fiber (formerly Metroweb) network of Milan and Genoa (primary network portion) and purchase of electricity.
Havas Group	—	29	Service & advisory activities in the purchase of media space by the TIM Group; study and implementation of advertising campaigns for the TIM and KENA brands, editorial management services for TIM brands on social media and TIM data room management services.
Vivendi Group	—	1	Purchase of musical and television digital content, operative management of the TIM S.p.A. on-line store platform “TIM I Love Games” and related developments; TIM cloud gaming (TIMGAMES) service in SaaS mode; use of My Canal platform licenses.
Total trade and miscellaneous payables and other current liabilities	**21**	**31**	

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	1st Half 2025	1st Half 2024	TYPE OF CONTRACT
Purchase of intangible, tangible and rights of use assets on an accrual basis			
Cassa Depositi e Prestiti Group	—	12	Investments in intangible and tangible assets (supplier: Open Fiber), in relation to the 5G Coverage Plan under the NRRP.
Total purchases of intangible, tangible and right of use assets on a cash basis	**—**	**12**	

Transactions with pension funds

The most significant amounts are summarized as follows:

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS

(million euros)	1st Half 2025	1st Half 2024	TYPE OF CONTRACT
Employee benefits expenses			Contributions to pension funds.
Fontedir	3	4	
Telemaco	15	30	
Other pension funds	3	2	
Total employee benefits expenses	**21**	**36**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	6/30/2025	12/31/2024	TYPE OF CONTRACT
Trade and miscellaneous payables and other current liabilities			Payables for contributions to pension funds.
Fontedir	2	2	
Telemaco	1	1	
Other pension funds	10	9	
Total trade and miscellaneous payables and other current liabilities	**13**	**12**	

Remuneration to Key Managers with Strategic Responsibilities

In the first half of 2025, remuneration recorded on an accrual basis by TIM or by Group subsidiaries in respect of key managers with strategic responsibilities amounted to 6 million euros (7 million euros in the first half of 2024).

(million euros)	1st Half 2025		1st Half 2024	
Short-term remuneration	5.5	(1)	6.3	(3)
Long-term remuneration	—		—	
Employment termination benefit incentives	—		—	
Share-based payments (*)	0.5	(2)	0.7	(4)
Totale	**6**		**7**	

(*) These refer to the fair value of the rights, accrued at June 30, under the share-based incentive plans of TIM S.p.A. and its subsidiaries (Long Term Incentive, Stock Options Plan and Plans of the subsidiaries).

(1) of which 0.6 million euros recorded by subsidiaries;
(2) of which 0.5 million euros recorded by subsidiaries;
(3) of which 0.7 million euros recorded by subsidiaries;
(4) of which 0.4 million euros recorded by subsidiaries.

Short-term remuneration is paid during the reference year, and, at the latest, within the six months following the end of that period and, in 2025, do not include the effects of assessment differences related to 2024 costs amounting to -0.4 million euros for TIM S.p.A.

In the first half of 2025, the contributions paid in to defined contribution plans (Assida and Fontedir) by TIM S.p.A. on behalf of key managers with strategic responsibilities amounted to 137,700 thousand euros (120,500 thousand euros in the first half of 2024).

In the first half of 2025, "Key managers with strategic responsibilities" – i.e. those who have the power and responsibility, directly or indirectly, for the planning, direction and control of the operations of the TIM Group, including directors – were the following:

Directors:	
Pietro Labriola	Managing Director and Chief Executive Officer of TIM S.p.A. General Manager of TIM S.p.A.
Managers:	
Alberto Maria Griselli	Diretor Presidente TIM S.A.
Adrian Calaza Noia	Chief Financial Office
Paolo Chiriotti	Chief Human Resources & Organization Office
Giampaolo Leone	Head of Procurement & Logistics
Roberto Mazzilli	Chief IT Group Officer
Agostino Nuzzolo	Chief Legal, Regulatory & Tax Officer
Claudio Giovanni Ezio Ongaro	Chief Strategy, Business Development & Wholebuy Office
Andrea Rossini	Chief Consumer, Small & Medium and Mobile Wholesale Market Officer
Eugenio Santagata	Chief Public Affairs, Security and International Business Officer
Elio Schiavo	Chief Enterprise and Innovative Solutions Office

NOTE 29
EQUITY COMPENSATION PLANS

Equity compensation plans are used for retention purposes, and as a long-term incentive for the managers and employees of the Group.

For a comprehensive illustration of the Remuneration Policy, please refer to the Remuneration Report approved by the Shareholders' Meeting on June 24, 2025, which is publicly available at: https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/TIM-Assemblea-degli-Azionisti-24.06.2025-Relazione-sulla-politica-in-materia-di-remunerazione-2025-sui-compensi-corrisposti-2024-12.6.pdf.

A summary is provided below of the plans in place at June 30, 2025.

a) *Stock option plans*

TIM S.p.A. – Stock Options Plan 2022-2024

With reference to the 2022-2024 Stock Option Plan, the Board of Directors approved the finalisation of the targets on April 14, 2025, as follows:

- Cumulative reported EBITDA - CAPEX in the three-year period 2022-2024 (weight 70%), actual value 107.8%;
- % Women in positions of responsibility (weight 15%), final result 110.0%;
- Renewable Electricity/Energy consumed (weight 15%), final result 110.0%.

Consequently, the overall vesting of the Plan is 108.5%, with a total of 212,738,790 options granted to the 142 recipients.

In addition, the Shareholders' Meeting of June 24, 2025 approved the amendment of the Plan, determining a different strike price and a different exercise period for the Non-Terminated Beneficiaries participating in accordance with the proposed new rules, thus waiving the previous regulations regarding strike price and exercise period.

The total number of options under the Plan will not change.

b) Other compensation plans

TIM S.p.A. - Long Term Performance Share Plan 2025-2027

The Shareholders' Meeting of June 24, 2025 approved a Long Term Performance Share Plan for the three-year period 2025-2027, aimed at strengthening alignment between the interests of management and those of shareholders through the free assignment of TIM ordinary shares subject to achieving specific performance targets on a three-year basis.

This LTI Performance Share Plan 2025-2027 provides for shares in the Company to be freely assigned, with a three-year vesting and two-year lock-up on 50% of the shares granted (net of those needed to support tax charges), to the Chief Executive Officer and to a pool of selected Managers (a total of 75), including Key Managers with Strategic Responsibilities and other managers (below senior management) with key roles in the achievement of the Strategic Plan objectives.

The number of rights to be allocated to each Plan Beneficiary will be determined as a percentage of the gross annual remuneration of each, taking into account the starting value of the share.

The number of shares will be calculated based on the results achieved for specific performance targets:

- Economic-financial (weight 50%): EBITDA AL - CAPEX (reported, cumulative over the three-year period);
- ESG, with two targets weighted at 15% each:
  - % of women in positions of responsibility by the end of 2027;
  - Mobile network eco-efficiency, ending December 2027;

- TSR (weight 20%): positioning of TIM's Total Shareholder Return against a basket of ten European peers (plus TIM).

As of June 30,, no Plans had yet been allocated; Therefore, the estimated cost impact is expected to accrue from the second half of 2025.

TIM S.A. – Long Term Incentive Plan 2021-2023

On March 30, 2021, the General Meeting of Shareholders of TIM S.A. approved the long-term incentive plan for managers in key positions in the company. The plan aims to reward participants with shares issued by the company, according to specific time (restricted shares) and performance (performance shares) conditions. The vesting period is 3 years and the company does not have the legal obligation to repurchase or liquidate the shares in cash or in any other form. The plan – in addition to transferring shares to beneficiaries – also includes the possibility of rewarding participants through the settlement of the amount corresponding in cash.

Year 2021

On May 5, 2021, plan beneficiaries were granted the right to receive a total of 3,431,610 shares, of which 3,173,142 performance shares restricted to performance conditions and with gradual vesting over 3 years and 258,468 restricted shares, with a vesting period of 3 years.

In 2021, the Special Grant was added to the traditional plan, a further extraordinary concession with the aim of encouraging the closure of the purchase operation for part of Oi Móvel's assets in Brazil as well as the success of the subsequent integration operations.

Of the total 3,431,610 shares granted, 1,151,285 relate to the traditional grant (with 892,817 performance shares and 258,468 restricted shares) and 2,280,325 refer to the Special Grant.

On February 9, 2023, the Board of Directors agreed to adjust by 220,743 the number of performance shares granted under the Special Grant to the participants appointed to higher-responsibility roles during the period.

On December 31, 2024, three vesting periods were completed with regard to **the traditional grant**:

- **2022**: in compliance with the results approved on April 26, 2022, in July 572,608 shares were transferred to beneficiaries, of which 463,608 relating to the original volume accrued, 87,605 granted according to the degree to which objectives had been achieved and 21,395 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, it was ordered in June to make cash payments of the amount corresponding to 3,486 shares (2,883 relating to the original volume accrued, 473 acknowledged according to the degree to which the objectives had been achieved and 130 due to dividends distributed during the period).
- **2023**: in compliance with the results approved on May 8, 2023, in July 169,462 shares were transferred to beneficiaries, of which 128,384 relating to the original volume accrued, 28,484 granted according to the degree to which objectives had been achieved and 12,594 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 17,576 shares (13,316 relating to the original volume accrued, 2,954 acknowledged according to the degree to which the objectives had been achieved and 1,306 due to dividends distributed during the period).
- **2024**: in compliance with the results approved on May 6, 2024, in July 530,784 shares were transferred to beneficiaries, of which 298,151 relating to the original volume accrued, 180,353 granted according to the degree to which objectives had been achieved and 52,280 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 31,677 shares (17,792 relating to the original volume accrued, 10,764 acknowledged according to the degree to which the objectives had been achieved and 3,121 due to dividends distributed during the period).

Regarding the **Special Grant**:

- **2022**: in compliance with the results approved on April 26, 2022, 601,936 shares were transferred to beneficiaries in July, of which 579,451 relating to the original volume accrued and 22,485 shares as a result of the dividends distributed during the period.
- **2023**: in compliance with the results approved on May 8, 2023, in July 1,038,041 shares were transferred to beneficiaries, of which 829,161 relating to the original volume accrued, 131,775 granted according to the degree to which objectives had been achieved and 77,105 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 92,254 shares (76,087 relating to the original volume accrued, 9,314 acknowledged according to the degree to which the objectives had been achieved and 6,853 due to dividends distributed during the period).
- **2024**: in compliance with the results approved on May 6, 2024, in July 719,164 shares were transferred to beneficiaries, of which 483,928 relating to the original volume accrued, 164,415 granted according to the degree to which objectives had been achieved and 70,821 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 19,892 shares (13,385 relating to the original volume accrued, 4,548 acknowledged according to the degree to which the objectives had been achieved and 1,959 due to dividends distributed during the period).

At December 31, 2024, and including the shares for July transfer, of the original volume assigned of 3,431,610 shares plus the 220,743 assigned due to participants' appointments to new roles, 746,207 had been canceled due to the beneficiaries having left the company and 3,631,995 shares had been transferred to beneficiaries (2,782,683 related to the original volume vested, 592,632 recognized on the basis of performance achieved and 256,680 for effect of dividends distributed during the period). For participants transferred to other Group companies, as per the Plan rules, payment in cash was considered of the amount corresponding to 164,885 shares (123,463 relating to the original volume accrued, 28,053 acknowledged according to the degree to which the objectives had been achieved and 13,369 due to dividends distributed during the period), thus completing the 2021 grant.

Year 2022

On April 26, 2022, plan beneficiaries were granted the right to receive a total of 1,227,712 shares, of which 927,428 performance shares restricted to performance conditions and with gradual vesting over 3 years and 300,284 restricted shares, with a vesting period of 3 years.

- **2023**: in compliance with the results approved on May 8, 2023, in July 392,460 shares were transferred to beneficiaries, of which 264,305 relating to the original volume accrued, 110,928 granted according to the degree to which objectives had been achieved and 17,227 shares as a result of the dividends distributed during the period.
- **2024**: in compliance with the results approved on May 6, 2024, in July 680,532 shares were transferred to beneficiaries, of which 252,442 relating to the original volume accrued, 374,411 granted according to the degree to which objectives had been achieved and 53,679 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 19,018 shares (7,055 relating to the original volume accrued, 10,463 acknowledged according to the degree to which the objectives had been achieved and 1,500 due to dividends distributed during the period). In addition, 57,021 shares were transferred in October to other beneficiaries transferred to other Group companies, of which 37,087 relating to the original volume accrued, 15,437 granted according to the degree to which objectives had been achieved and 4,497 shares as a result of the dividends distributed during the period.
- **2025**: in compliance with the results approved on May 5, 2025, in July 2025 768,845 shares will be transferred to beneficiaries, of which 403,661 relating to the original volume accrued, 253,959 granted according to the degree to which objectives had been achieved and 111,224 shares as a result of the dividends distributed during the period. In addition, for participants transferred to other Group companies, as per the Plan rules, payment in cash was considered in July of the amount corresponding to 20,848 shares (11,646 relating to the original volume accrued, 6,186 acknowledged according to the degree to which the objectives had been achieved and 3,016 due to dividends distributed during the period).

At June 30, 2025 – including the shares to be transferred in July – of the original volume assigned of 1,227,712 shares, 251,517 had been canceled due to the beneficiaries having left the company and 1,898,858 shares had been transferred to beneficiaries (957,495 related to the original volume vested, 754,735 recognized on the basis of performance achieved and 186,627 for effect of dividends distributed during the period). For participants transferred to other Group companies, as per the Plan rules, cash payment was made of an amount corresponding to 39,866 shares (18,701 relating to the original volume accrued, 16,649 acknowledged according to the degree to which the objectives had been achieved and 4,516 due to dividends distributed during the period), thus completing the 2022 grant.

Year 2023

On July 31, 2023, plan beneficiaries were granted the right to receive a total of 1,560,993 shares, of which 1,189,900 performance shares restricted to performance conditions and with gradual vesting over 3 years and 371,093 restricted shares, with a vesting period of 3 years.

- **2024**: in compliance with the results approved on May 6, 2024, in August 475,520 shares were transferred to beneficiaries, of which 227,983 relating to the original volume accrued, 223,132 granted according to the degree to which objectives had been achieved and 24,405 shares as a result of the dividends distributed during the period. In addition, 135,421 shares were transferred in October to other beneficiaries transferred to other Group companies, of which 78,467 relating to the original volume accrued, 50,008 granted according to the degree to which objectives had been achieved and 6,946 shares as a result of the dividends distributed during the period.
- **2025**: in compliance with the results approved on May 5, 2025, a total of 646,081 shares will be transferred to beneficiaries in August, of which 303,469 relating to the original volume accrued, 265,491 granted according to the degree to which objectives had been achieved and 77,121 shares as a result of the dividends distributed during the period.

As of June 30, 2025, 156,813 of a total of 1,560,993 allocated shares had been canceled due to beneficiaries leaving the Company. This left a total of 794,261 shares that could be vested at the end of the period.

TIM S.A. – Long Incentive Plan 2024-2026

On March 28, 2024, the General Meeting of Shareholders of TIM S.A. approved the long-term incentive plan for managers in key positions in the company. The plan aims to reward participants with shares issued by the company, according to specific time (restricted shares) and performance (performance shares) conditions. The vesting period is 3 years and the company does not have the legal obligation to repurchase or liquidate the shares in cash or in any other form. The plan – in addition to transferring shares to beneficiaries – also includes the possibility of rewarding participants through the settlement of the amount corresponding in cash.

Year 2024

On July 30, 2024, plan beneficiaries were granted the right to receive a total of 1,226,859 shares, of which 946,060 performance shares restricted to performance conditions and with gradual vesting over 3 years and 280,799 restricted shares, with a vesting period of 3 years.

- **2025**: in compliance with the results approved on May 5, 2025, a total of 144,065 shares will be transferred to beneficiaries in August, of which 88,693 relating to the original volume accrued, 44,360 granted according to the degree to which objectives had been achieved and 11,012 shares as a result of the dividends distributed during the period.

As of June 30, 2025, 84,518 of a total of 1,226,859 allocated shares had been canceled due to beneficiaries leaving the Company. This left a total of 1,053,648 shares that could be vested at the end of the period.

Year 2025

On May 5, 2025, plan beneficiaries were granted the right to receive a total of 1,368,704 shares linked to performance, gradually vesting over 3 years.

As of June 30, 2025, a total of 1,368,704 allocated shares had not been canceled due to beneficiaries leaving the Company. This left a total of 1,368,704 shares that could be vested at the end of the period.

On June 24, 2025, the Shareholders' Meeting of TIM S.p.A. approved the new 2025 Remuneration Policy Plan in order to: ensure alignment with consolidated market practice; incorporate the indications of proxy advisors; and be in line with regulatory developments. Among its new features, the Plan:

- introduces a new equity and performance-based LTI plan applicable to (among others) the Chief Executive Officer and Key Managers with Strategic Responsibilities – this aligns with best practice by including a 3-year vesting period followed by a 2-year lockup period for a portion of the package;
- incorporates the 2022-2024 stock option plan (SOP), aimed at modifying specific aspects of the financial instrument-based 2022-2024 SOP incentive plan, such as the change in strike price, vesting period and exercisability – the changes are targeted at improving retention, ensuring greater consistency with market developments and ensuring alignment with the Remuneration Policy;
- **introduces** a Phantom Shares plan for the Company's Managers and Key Resources who are not currently beneficiaries of the 2022-2024 SOP – the plan is structured along the same guidelines as the SOP, with all relevant modification. The intention is to incentivise the long-term retention of strategic talent within the organization.

The Report on the Remuneration Policy and the Disclosure Documents relating to the long-term incentive plans described above are publicly available at the following links:

- TIM - Report on the Remuneration Policy 2025 and Compensation Paid 2024: https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/TIM-Assemblea-degli-Azionisti-24.06.2025-Relazione-sulla-politica-in-materia-di-remunerazione-2025-sui-compensi-corrisposti-2024-12.6.pdf;
- TIM Disclosure Document on LTI Performance Shares 2025-2027: https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/Documento-Informativo-LTI-Performance-Shares-2025-2027-.pdf;
- TIM Disclosure Document on the 2022-2024 Stock Oprion Plan_Amended: https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/Modifica-Documento-informativo-SOP-2022-2024-DEF-ITA-26-05.pdf;
- TIM Disclosure Document on the Phantom Shares Plan 2025-2027: https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2025/TIM-Documento-Informativo-Piano-di-Phantom-Shares-2025-2027.pdf.

NOTE 30

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The effect of the first half of 2025 non-recurring events and transactions on the equity, profit, net financial debt and cash flows of the TIM Group is set out below in accordance with Consob Communication DEM/6064293 of July 28, 2006. The non-recurring effects on Equity and Profit (loss) for the year are shown net of tax effects.

(million euros)		Equity	Profit (loss) for the period	Net financial debt	Cash flows (*)
Carrying amount	**(a)**	**13,199**	**(38)**	**10,417**	**(1,451)**
Other income		15	15	33	(33)
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses		(21)	(21)	(53)	53
Employee benefits expenses - Charges connected to corporate reorganization/restructuring and other costs		(43)	(43)	(138)	138
Other operating expenses - Charges from regulatory litigation and sanctions and contingencies, other provisions and charges		(13)	(13)	(34)	34
Gains on disposals of non-current assets		1	1	—	—
Impairment losses related to the sale of the Telecom Italia Sparkle group			—	—	—
Other income/(expense) from investments		—	—	—	—
Other finance income		—	—	—	—
Other finance expenses		(10)	(10)	—	—
Total non-recurring effects	**(b)**	**(71)**	**(71)**	**(192)**	**192**
Income/(Expenses) relating to Discontinued operations	**(c)**	**(67)**	**(67)**	**(15,321)**	**4,169**
Figurative amount – financial statements	**(a-b-c)**	**13,337**	**100**	**25,930**	**(5,812)**

(*) Cash flows refer to the increase (decrease) in Cash and cash equivalents during the period.

The impact of non-recurring items on the Separate Consolidated Income Statements line items is as follows:

(million euros)	1st Half 2025	1st Half 2024
Operating revenues and other income:		
Other income - Contingent gain	15	—
Acquisition of goods and services, Change in inventories:		
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses	(23)	(7)
Employee benefits expenses:		
Charges connected to corporate reorganization/restructuring and other costs	(44)	(63)
Other operating expenses:		
Expenses from regulatory litigation and sanctions and contingencies, other provisions and expenses	(13)	(11)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**(65)**	**(81)**
Gains (losses) on disposals of non-current assets:		
Gains on disposals of non-current assets	1	3
Impact on Operating profit (loss) (EBIT)	**(64)**	**(78)**
Other income (expenses) from investments:		
Other (expenses)/income from corporate operations	—	(4)
Finance income:		
Other finance income	—	(2)
Finance expenses:		
Other finance expenses	(10)	(15)
Impact on profit (loss) before tax from continuing operations	**(74)**	**(99)**
Income tax expense on non-recurring items	3	1
Income (expense) relating to Discontinued operations / Non-current assets held for sale	**(67)**	**(30)**
Impact on profit (loss) for the period	**(138)**	**(128)**

NOTE 31
POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In accordance with Consob Communication DEM/6064293 of July 28, 2006, a statement is made to the effect that in the first half of 2025 no atypical and/or unusual transactions, as defined by that Communication, were pursued.

NOTE 32
OTHER INFORMATION

a) Exchange rates used to translate the financial statements of foreign operations(*)

(local currency against 1 euro)		End of period changes (statements of financial position)		Average period changes (income statements and statements of cash flows)	
		6/30/2025	**12/31/2024**	**1st Half 2025**	**1st Half 2024**
Europe					
BGN	Bulgarian lev	**1.95580**	1.95580	**1.95580**	1.95580
CHF	Swiss franc	**0.93470**	0.94120	**0.94118**	0.96157
CZK	Czech koruna	**24.74600**	25.18500	**25.00251**	25.01810
GBP	Pound sterling	**0.85550**	0.82918	**0.84252**	0.85477
RON	Romanian leu	**5.07850**	4.97430	**5.00324**	4.97428
RUB	Russian ruble	**92.08740**	117.69650	**95.25909**	98.28153
TRY	Turkish lira	**46.56820**	36.73720	**41.07216**	34.21224
North America					
USD	U.S. dollar	**1.17200**	1.03890	**1.09334**	1.08136
Latin America					
ARS	Argentine peso	**1,404.05010**	1,067.32740	**1,208.62600**	929.63096
BOB	Bolivian boliviano	**8.15730**	7.15080	**7.54502**	7.45751
BRL	Brazilian real	**6.39572**	6.43318	**6.29416**	5.49271
CLP	Chilean peso	**1,096.20000**	1,031.22000	**1,044.51194**	1,016.99831
COP	Colombian peso	**4,806.46000**	4,559.17000	**4,585.86233**	4,239.48962
MXN	Mexican peso	**22.08990**	21.55040	**21.81737**	18.49895
PEN	Peruvian nuevo sol	**4.16160**	3.88790	**4.02094**	4.05472
VES	Venezuelan bolivar	**126.39040**	53.77410	**83.21175**	39.23792
Other countries					
ILS	Israeli shekel	**3.94920**	3.78850	**3.93348**	3.99506
INR	Indian rupee	**100.56050**	88.93350	**94.09126**	—
NGN	Nigerian naira	**1,805.43760**	1,597.89150	**1,701.31147**	1,455.12546

(*) Source: Data processed by the European Central Bank, Reuters and major Central Banks.

b) Research and development

Costs for research and development activities are represented by external costs, dedicated employee benefits expenses and depreciation and amortization. Details are as follows:

(million euros)	**1st Half 2025**	**1st Half 2024**
Research and development costs expensed during the period	20	17
Capitalized development costs	171	245
Total research and development costs (expensed and capitalized)	**191**	**262**

The 71 million euro reduction compared to the first half of 2024 is partly attributable to the optimisation of Technology Office related expenditure under the mobile access plan and partly to the reduction in IT Office related expenditure due to efficiencies linked to the introduction of the organisational model.

In the first half of 2025, in the separate consolidated income statements, a total of 249 million euros of depreciation and amortization expense was recorded for development costs, capitalized during the period and in prior years.

Research and development activities carried out by the TIM Group are described in detail in the Interim Report on Operations ("Research and Development" section).

NOTE 33
EVENTS AFTER JUNE 30, 2025

TIM S.A.: Reverse Split and Split transaction - End of position settlement period

On March 27, 2025, the Annual and Extraordinary General Meeting of Shareholders of TIM S.A., a Brazilian subsidiary of the TIM Group, approved the proposal for the reverse split of all ordinary shares issued by the Company, at a ratio of one hundred (100) shares for every one (1) share, and to subsequently split them so that one (1) new reverse-split share corresponds to one hundred (100) shares, without any change in the Company's share capital ("Transaction").

On July 2, 2025, TIM S.A. announced the end of the thirty (30) day period available to shareholders holding ordinary shares in the Company to adjust their shareholding positions, if they so wished, in wholes and multiples of one hundred (100) shares, so as to own a whole number of shares following the Transaction ("End of the Position Adjustment Period").

Transaction completion. The Transaction entered into force on the business day following the end of the Position Adjustment Period, i.e. July 3, 2025, without any change in the Company's share capital. As of July 3, 2025 (inclusive), the shares were traded as ex-reverse split and ex-split shares.

ADR programme. Under the terms approved by the Annual and Extraordinary General Meeting of Shareholders, the transaction will have no impact on the American Depositary Receipts (ADRs) traded on the US market, and the custodian bank is responsible for adjusting the number of local shares underlying the ADR programme of TIM S.A. so that the balance of ADRs remains unchanged. Following the Transaction, ADRs issued by TIM S.A. will continue to be traded at a ratio of five (5) ordinary shares for every one (1) ADR.

At the end of the Position Adjustment Period, shareholders holding fractional shares resulting from the Transaction were subject to the following procedure:

Treatment of fractions. Fractions of shares held by shareholders who did not adjust their position to multiples of one hundred (100) shares were grouped into whole numbers and auctioned on the stock exchange B3 S.A. - Brasil, Bolsa e Balcão on behalf of the holders of the fractions (“Auction”).

The Auction for the sale of the 22,059,698 ordinary shares resulting from the reverse split of the fractions of shares following the Transaction took place through BTG Pactual CTVM S.A. at B3 S.A. - Bolsa, Brasil, Balcão on July 14, 2025, during the opening auction of the trading session.

The proceeds from the auction, which totalled 455,691,275.10 reais, net of expenses and fees (equivalent to R$ 20.65718556528 per ordinary share), is to be allocated and distributed proportionally among all holders of fractional shares, as follows:

(a) *shareholders with complete registration data*: amounts are to be deposited in the current account indicated in the entry for each shareholder;

(b) *shareholders with shares deposited with the B3 Central Depository*: the amounts are to be credited directly to the Central Depository, which will be responsible for transferring them to each shareholder through its custodian; and

(c) *other shareholders not identified or without complete registration data:* amounts are to be held by the Company, for the statutory period, to be received by the shareholder once they have provided complete registration data.

TIM Brasil: Voluntary early redemption of all first-issue notes. Issue of 5 billion reais of simple unsecured non-convertible notes

On July 25, 2025, the process for the voluntary early redemption of all outstanding notes issued in July 2023 by TIM Brasil Serviços e Participações S.A, initially communicated to the market by TIM S.A. on July 10, 2025, was concluded.

At the same time, TIM Brasil Serviços e Participações S.A. issued simple unsecured non-convertible notes (split into two series) pursuant to the deed of issue dated June 23, 2025, for an aggregate amount of 5 billion reais.

The early redemption of the notes was then effected on July 25, 2025, against payment of the remaining balance of their face value per unit, plus accrued interest pro rata temporis up to the date of optional early redemption, plus a redemption premium calculated as provided at the first issue in July 2023. The bonds redeemed have been cancelled by TIM Brasil Serviços e Participações S.A..

NOTE 34
LIST OF COMPANIES OF THE TIM GROUP

In accordance with Consob Communication DEM/6064293 dated July 28, 2006, the list of companies is provided herein.

The list is divided by type of investment, consolidation method and operating segment.

The following is indicated for each company: name, head office, country and share capital in the original currency. In addition to the percentage ownership of share capital, the percentage of voting rights in the ordinary shareholders' meeting, if different from the percentage holding of share capital, and which companies hold the investment.

Company name	Reg. office	Currency	Share Capital	% ownership	% voting rights	Participating companies
PARENT COMPANY						
TIM S.p.A.	MILAN	EUR	11,677,002,855			
SUBSIDIARIES CONSOLIDATED LINE-BY-LINE						
DOMESTIC BU						
MINDICITY S.r.l. SOCIETA' BENEFIT (design, development, implementation, installation, management and marketing of software, hardware, electronic IT systems and telecommunications systems)	CASALMAGGIORE (CREMONA)	EUR	10,000	85.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
NOOVLE INTERNATIONAL SAGL (ICT services)	PREGASSONA (SWITZERLAND)	CHF	20,000	100.0000		NOOVLE S.p.A. SOCIETA' BENEFIT
NOOVLE MALTA Ltd (ICT services)	GZIRA (MALTA)	EUR	10,000	90.0000		NOOVLE INTERNATIONAL SAGL
NOOVLE S.p.A. SOCIETA' BENEFIT (design, implementation and management of infrastructures and data center services)	MILAN	EUR	1,000,000	100.0000		TIM S.p.A.
NOOVLE SICILIA S.c.a.r.l. (in liquidation) (ICT services)	PALERMO	EUR	50,000	80.0000		NOOVLE S.p.A. SOCIETA' BENEFIT
OLIVETTI S.p.A. SOCIETA' BENEFIT (production and sale of office equipment and information technology services)	IVREA (TURIN)	EUR	11,000,000	100.0000		TIM S.p.A.
QTI S.r.l. (development, production and marketing of innovative products and services with high technological value)	FLORENCE	EUR	19,608	80.0023		TELSY S.p.A.
TELECOM ITALIA TRUST TECHNOLOGIES S.r.l. (other operations related to non-classified IT services)	POMEZIA (ROME)	EUR	7,000,000	100.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
TELECOM ITALIA VENTURES S.r.l. (investment holding company)	MILAN	EUR	10,000	100.0000		TIM S.p.A.
TELECONTACT CENTER S.p.A. (telemarketing services)	NAPLES	EUR	3,000,000	100.0000		TIM S.p.A.
TELEFONIA MOBILE SAMMARINESE S.p.A. (development and management of mobile telecommunications plants and services)	BORGO MAGGIORE (SAN MARINO)	EUR	78,000	51.0000		TIM SAN MARINO S.p.A.
TELSY S.p.A. (production, installation, maintenance, reconditioning and sale of terminals, radio telephones, telecommunications and electronic systems in general)	TURIN	EUR	5,390,000	100.0000		TIM S.p.A.
TIM MY BROKER S.r.l. (insurance brokerage)	ROME	EUR	10,000	100.0000		TIM S.p.A.
TIM RETAIL S.r.l. (sale of fixed and mobile telecommunications products and services and all analog and digital broadcasting equipment)	MILAN	EUR	2,402,241	100.0000		TIM S.p.A.
TIM SAN MARINO S.p.A. (San Marino telecommunications management)	BORGO MAGGIORE (SAN MARINO)	EUR	1,808,000	100.0000		TIM S.p.A.
BRAZIL BU						
TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A. (investment holding company)	RIO DE JANEIRO (BRAZIL)	BRL	8,227,356,500	99.9999 0.0001		TELECOM ITALIA FINANCE S.A. TIM S.p.A.
TIM S.A. (telecommunications services)	RIO DE JANEIRO (BRAZIL)	BRL	13,477,890,508	66.5882 0.1282	66.6737	TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A. TIM S.A.

Company name	Reg. office	Currency	Share Capital	% ownership	% voting rights	Participating companies
OTHER OPERATIONS						
OLIVETTI DEUTSCHLAND GmbH (sale of office equipment and supplies)	NUREMBERG (GERMANY)	EUR	25,600,000	100.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
OLIVETTI UK Ltd (sale of office equipment and supplies)	NORTHAMPTON (UNITED KINGDOM)	GBP	6,295,712	100.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
TELECOM ITALIA CAPITAL S.A. (financial company)	LUXEMBOURG	EUR	2,336,000	100.0000		TIM S.p.A.
TELECOM ITALIA FINANCE S.A. (financial company)	LUXEMBOURG	EUR	1,818,691,979	100.0000		TIM S.p.A.
TELECOM ITALIA LATAM PARTICIPAÇÕES E GESTÃO ADMINISTRATIVA Ltda (telecommunications and promotional services)	SAO PAULO (BRAZIL)	BRL	219,360,393	100.0000		TIM S.p.A.
SUBSIDIARIES FOR SALE						
TELECOM ITALIA SPARKLE S.p.A. (completion and management of telecommunications services for public and private use)	ROME	EUR	200,000,000	100.0000		TIM S.p.A.
MED 1 SUBMARINE CABLES Ltd (construction and management of the submarine cable	RAMAT GAN (ISRAEL)	ILS	9,607,583	100.0000		TELECOM ITALIA SPARKLE S.p.A.
PANAMA DIGITAL GATEWAY S.A. (telecommunications services and data center	PANAMA CITY (PANAMA)	USD	10,000	60.0000		TELECOM ITALIA SPARKLE S.p.A.
SPARKLE COMMUNICATIONS INDIA PRIVATE Ltd. (telecommunications services)	MUMBAI (INDIA)	INR	25,500,000	99,9998 0,0002		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
TI SPARKLE AMERICAS Inc. (managed bandwidth services)	MIAMI (USA)	USD	10,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE ARGENTINA S.A. (managed bandwidth services)	BUENOS AIRES (ARGENTINA)	ARS	9,998,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE AUSTRIA GmbH (telecommunications services)	VIENNA (AUSTRIA)	EUR	2,735,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE BELGIUM S.P.R.L. - B.V.B.A. (telecommunications services)	BRUSSELS (BELGIUM)	EUR	2,200,000	99,9967 0,0033		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
TI SPARKLE BRASIL PARTIÇIPAÇÕES Ltda (investment holding company)	RIO DE JANEIRO (BRAZIL)	BRL	71,563,866	99,9999 0,0001		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE AMERICAS Inc.
TI SPARKLE BRASIL TELECOMUNICAÇÕES Ltda (managed bandwidth services)	RIO DE JANEIRO (BRAZIL)	BRL	69,337,363	99,9999 0,0001		TI SPARKLE BRASIL PARTIÇIPAÇÕES Ltda TI SPARKLE AMERICAS Inc.
TI SPARKLE BULGARIA EOOD (telecommunications)	SOFIA (BULGARIA)	BGN	100,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE CHILE S.p.A. (managed bandwidth services)	SANTIAGO (CHILE)	CLP	5,852,430,960	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE COLOMBIA Ltda (managed bandwidth services)	BOGOTA (COLOMBIA)	COP	12,636,774,908	99,9999 0,0001		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE AMERICAS Inc.
TI SPARKLE FRANCE S.A.S. (installation and management of telecommunications services for fixed network and related activities)	PARIS (FRANCE)	EUR	18,295,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE GERMANY GmbH (telecommunications services)	FRANKFURT (GERMANY)	EUR	25,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE GREECE S.A. (telecommunications)	ATHENS (GREECE)	EUR	368,760	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE ISRAEL Ltd (international wholesale telecommunication services)	RAMAT GAN (ISRAEL)	ILS	1,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE MEXICANA S.A. de C.V. (telecommunications services)	MEXICO CITY (MEXICO)	MXN	2,000,000	99,9995 0,0005		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE AMERICAS Inc.
TI SPARKLE NETHERLANDS B.V. (telecommunications services)	AMSTERDAM (NETHERLANDS)	EUR	18,200	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE NORTH AMERICA, Inc. (telecommunications and promotional services)	NEW YORK (USA)	USD	15,550,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE PANAMA S.A. (managed bandwidth services)	PANAMA CITY (PANAMA)	USD	10,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE PERU' S.A. (managed bandwidth services)	LIMA (PERU)	PEN	57,101,788	99,9999 0,0001		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE AMERICAS Inc.
TI SPARKLE PUERTO RICO LLC (managed bandwidth services)	SAN JUAN (PUERTO RICO)	USD	3,050,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE ROMANIA S.r.l. (telecommunications services)	BUCHAREST (ROMANIA)	RON	3,021,560	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE RUSSIA LLC (telecommunications Services)	MOSCOW (RUSSIA)	RUB	8,520,000	99,0000 1,0000		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
TI SPARKLE SINGAPORE Pte.Ltd (telecommunications services)	SINGAPORE	USD	28,482	99,9999 0,0001		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE NORTH AMERICA, Inc.
TI SPARKLE SPAIN TELECOMMUNICATIONS S.L. (telecommunications services)	MADRID (SPAIN)	EUR	1,687,124	100.0000		TELECOM ITALIA SPARKLE S.p.A.

Company name	Reg. office	Curren cy	Capitale sociale	% Partecipazione Capitale	% Voto	Imprese partecipanti
TI SPARKLE ST. CROIX LLC (managed bandwidth services)	VIRGIN ISLANDS (USA)	USD	1,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE SWITZERLAND GmbH (telecommunications services)	ZURICH (SWITZERLAND)	CHF	2,000,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE TURKEY TELEKOMÜNIKASYON ANONIM SIRKETI (telecommunications services)	ISTANBUL (TURKEY)	TRY	65,000,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE UK Ltd (value-added and networking services)	LONDON (UNITED KINGDOM)	EUR	3,983,254	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE VENEZUELA C.A. (managed bandwidth services)	CARACAS (VENEZUELA)	VES	8,825,382	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TIS LAGOS LIMITED (telecommunications services)	LAGOS (NIGERIA)	NGN	100,000,000	99,9999 0,0001		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD						
AREE URBANE S.r.l. (in bankruptcy) (real estate management)	MILAN	EUR	100,000	32.6200		TIM S.p.A.
I-SYSTEMS S.A. (telecommunications systems)	SAO PAULO (BRAZIL)	BRL	1,794,287,995	49.0000		TIM S.A.
PEDIUS S.r.l. (Specialized telecommunications applications, telephone line telecommunications, VoIP services)	ROME	EUR	181	16.5553	(*)	TELECOM ITALIA VENTURES S.r.l.
POLO STRATEGICO NAZIONALE S.p.A. (design, preparation, set-up and provision of a high-reliability national data network infrastructure for public administration)	ROME	EUR	3,000,000	45.0000		TIM S.p.A.
SMART STRUCTURES SOLUTIONS S.r.l. (engineering activities)	ROME	EUR	15,000	36.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
TIGLIO I S.r.l. (in liquidation) (real estate management)	MILAN	EUR	100,000	47.8020		TIM S.p.A.
TIMFIN S.p.A. (financing to the general public, including financing in the form of personal and consumer loans)	TURIN	EUR	40,000,000	49.0000		TIM S.p.A.
W.A.Y. S.r.l. (development and marketing of security and logistics geolocation products and systems)	TURIN	EUR	136,383	40.0000		OLIVETTI S.p.A. SOCIETA' BENEFIT
WEBIDOO S.p.A. (ICT services)	MILAN	EUR	242,357	10.0195	(*)	TELECOM ITALIA VENTURES S.r.l.
WESCHOOL S.r.l. (research and development, commercialization and patenting of all intellectual works related to technology, information technology and telecommunications)	MILAN	EUR	25,000	15.0160	(*)	TELECOM ITALIA VENTURES S.r.l.

(*) Associated company over which TIM S.p.A. directly or indirectly exercises significant influence pursuant to IAS 28 (Investments in associates and joint ventures).

CERTIFICATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION 11971 DATED MAY 14, 1999, AS AMENDED

1. We, the undersigned, Pietro Labriola, as Chief Executive Officer, and Adrian Calaza Noia, as Manager responsible for preparing TIM S.p.A. financial reports, certify, having also considered the provisions of Article 154-bis, subsections 3 and 4, of Italian Legislative Decree 58 of February 24, 1998:
   - the adequacy in relation to the characteristics of the company and
   - the effective application of the administrative and accounting procedures used in the preparation of the Half-Year Condensed Consolidated Financial Statements for the period January 1 – June 30, 2025.

2. TIM has adopted the Internal Control – Integrated Framework Model (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission, as its framework for the establishment and assessment of its internal control system, with particular reference to the internal controls for the preparation of the financial statements.

3. The undersigned also certify that:

   3.1 the Half-Year Condensed Consolidated Financial Statements at June 30, 2025:

   a) have been prepared in compliance with the international accounting standards adopted by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council of July 19, 2002 (International Financial Reporting Standards – IFRS), as well as the legislative and regulatory provisions in force in Italy, including, in particular, the measures enacted for the implementation of Article 9 of Italian Legislative Decree 38 of February 28, 2005;

   b) agree with the results of the accounting records and entries;

   c) provide a true and fair view of the financial condition, the results of operations and the cash flows of the Company and its consolidated subsidiaries;

   3.2 The interim report on operations includes reliable analysis of references to important events occurring in the first six months of 2025 and their impact on the half-year condensed consolidated financial statements at June 30, 2025, along with a description of the main risks and uncertainties for the remaining six months of 2025. The Interim Report on Operations also contains a reliable analysis of information concerning significant related party transactions.

August 5, 2025

Chief Executive Officer	Executive responsible for preparing the corporate accounting documents
/ signed /	**/ signed /**
Pietro Labriola	Adrian Calaza Noia

INDEPENDENT AUDITORS' REPORT

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Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
TIM S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements, which comprise the consolidated statement of financial position, the separate consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six month period then ended, and the related explanatory notes of TIM S.p.A. and subsidiaries (the "TIM Group") as of 30 June 2025. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the TIM Group as at 30 June 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Turin, 7 August 2025

EY S.p.A.
Signed by: Ettore Abate, Auditor

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

EY S.p.A.
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USEFUL INFORMATION

The Half-Year Financial Report 2025 can be viewed at www.gruppotim.it/it/investitori/report-presentazioni/report-finanziari.html and www.gruppotim.it/en/investors/reports-presentations/financial-reports.html.

Information on TIM is also available at www.gruppotim.it and information on products and services at www.tim.it.

In addition, the following contact numbers are available:

- Free Number 800.020.220 (for calls from Italy) or +39 011 2293603 (for calls from abroad) available for information and assistance to shareholders;
- TIM Investor Relations: investor_relations@telecomitalia.it.

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Certified email address (PEC): telecomitalia@pec.telecomitalia.it
Share Capital: 11,677,002,855.10 euros fully paid up
Tax Code/VAT No. and Milan-Monza Brianza-Lodi Business Register No. 00488410010