Annual REPORT 2024

Dear Shareholders,

2024 was a year of profound transformation for the TIM Group, marking the completion of key strategic initiatives that redefined our structure and strengthened our market position.

For the third year in a row, we achieved our targets. Over 18 months, we finalized the divestment of NetCo, which many thought impossible, and completed a major debt management operation, significantly improving our financial structure. The sale of the remaining stake in INWIT and the acceptance of the binding offer for Sparkle further strengthened our financial flexibility, while the earn-out assumptions and anticipated other extraordinary income will help consolidate our cash position.

The Group has also reached significant milestones from a business perspective. In Italy, TIM Consumer achieved a major turnaround, increasing margins by stabilizing revenues and significantly reducing costs, while TIM Enterprise is positioning itself as a leader in the Telco & ICT revolution thanks to its expertise in digital services and cloud solutions – and the fact that it has the only large Italian sales network dedicated to this. In Brazil, TIM is now the biggest and best digital and telco platform in Latin America, with excellent margins and sustainable growth.

At the governance level, business delayering has brought tangible benefits. By moving past vertical integration, we have reduced the regulatory burden, ensuring commercial flexibility and focusing the investment strategy on mobile network infrastructure and data centers. In addition, in 2024, the Board of Directors reduced its members from 15 to 9, improving the speed and consistency of decision-making.

The earnings results for 2024 are significant. Revenues grew by 3.1% over 2023, EBITDA improved by 8.3% – with Brazil contributing as much as 50% – investments accounted for 14% of revenues, and EBITDA After Lease net of investments increased by 24% year-on-year. Thanks in part to the sale of INWIT, Net Debt After Lease fell to 7.3 billion euros. As I pointed out, the performance of the domestic business was particularly notable, with TIM Consumer reaching a stable phase and TIM Enterprise continuing to grow beyond the market.

Looking ahead, our 2025-2027 plan takes this growth forward in a solid and sustainable way. In particular, we foresee an increase in revenues from IoT, cloud and cybersecurity, which in addition to being a differentiating factor in our proposition, will further enable the deployment of smart-city solutions and the digitization of the Italian public administration, so essential for the country's digital and environmental transition. Cash generation will accelerate, supporting further debt reduction and strengthening our deleveraging process. We expect to generate about 2.5 billion euros in Equity Free Cash Flow over the three-year period, which will be used to further support growth and ensure an optimized financial structure. Our leverage will gradually fall to about 1.3x by the end of 2027, setting a new benchmark for the industry.

Being a strong company means generating structural cash flow to support future investments, maintaining a healthy balance sheet with a leverage ratio in line with industry best practices, and laying the groundwork for a return to shareholder remuneration – a goal that until recently seemed distant, but is now closer than ever.

Our transformation will continue, working on two closely related levers. On the one hand, we will continue to increase the efficiency of our operating machine, supported by the adoption of the most innovative enabling technologies, and on the other hand, we will persist with the cost rationalization plan. In doing so, we will set clear sustainability goals, because we firmly believe that the Group's current and future strength depends also on its ability to make sustainable choices for our environment and society.

As such, emission reduction targets will not only lead us to reach Net Zero in 2040, but will also play a big role in acting on the consumption lever, keeping operating costs under control and increasing the resilience of our business. More broadly, our ESG Plan 2025-2027 will rest on four key pillars: human capital development, including greater harnessing of people’s abilities, and the race to close the gender gap; infrastructure efficiency, with investments aimed at environmental sustainability and controlling consumption, as mentioned above; cybersecurity, with a strengthening of measures in this area. Finally, we are further accelerating the adoption of artificial intelligence in order to simplify the daily activities of TIM employees, but also to improve the customer experience by optimizing complex processes such as customer care.

These results are the fruit of the determination with which we have pursued our strategy, meeting complex challenges with bold choices and an unwavering commitment to innovation and operational efficiency. Now, with a leaner structure and a clear vision for the future, we can look forward with confidence and ambition.

We are back to being a strong, stable and efficient company, ready to take a leading role in the evolution of the telecommunications industry as it pushes toward market consolidation. I want to thank all TIM people for your incredible dedication, and our shareholders for your trust in our work.

Pietro Labriola
CEO
TIM Group

Annual REPORT 2024

CONTENTS

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

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.

Report on OPERATIONS

Key operating and financial data

TIM GROUP

REVENUES		EBITDA	
14,442	millions of euros	4,825	millions of euros

EBITDA LIKE-FOR-LIKE		EBITDA AFTER LEASE LIKE-FOR-LIKE	
4,339	millions of euros	3,672	millions of euros

ADJUSTED NET FINANCIAL DEBT

10,126 millions of euros

ADJUSTED NET FINANCIAL DEBT - *AFTER LEASE*

7,266 millions of euros

CAPITAL EXPENDITURES

2,129 millions of euros

HEADCOUNT AT YEAR END

26,887 numbers

17,521 Headcount Italy

9,366 Headcount Outside Italy

KEY OPERATING AND FINANCIAL DATA - TIM GROUP

Consolidated operating and financial data (*)

(million euros)		2024	2023	2022	2021	2020
Revenues		14,442	14,311	15,788	15,316	15,805
EBITDA	(1)	4,825	4,645	5,347	5,080	6,739
EBIT	(1)	1,545	1,342	606	(3,529)	2,104
Profit (loss) before tax from continuing operations		257	(38)	(588)	(4,515)	1,397
Profit (loss) from continuing operations		83	(94)	(2,654)	(8,400)	7,352
Profit (loss) from Discontinued operations / Non current assets held for sale		(447)	(1,013)	—	—	—
Profit (loss) for the year		(364)	(1,107)	(2,654)	(8,400)	7,352
Profit (loss) for the year attributable to owners of the Parent		(610)	(1,441)	(2,925)	(8,652)	7,224
Capital Expenditures & spectrum		2,129	2,168	4,077	4,630	3,409

Consolidated financial position data (*)

(million euros)		12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total Assets		37,663	62,159	62,027	69,187	73,234
Total Equity		13,361	17,513	18,725	22,039	28,840
- attributable to owners of the Parent		11,957	13,646	15,061	17,414	26,215
- attributable to non-controlling interests		1,404	3,867	3,664	4,625	2,625
Total Liabilities		24,302	44,646	43,302	47,148	44,394
Total Equity and Liabilities		37,663	62,159	62,027	69,187	73,234
Share capital		11,624	11,620	11,614	11,614	11,588
Net financial debt carrying amount	(1)	10,237	25,776	25,370	22,416	23,714
Adjusted Net Financial Debt	(1)	10,126	25,656	25,364	22,187	23,326
Adjusted net invested capital	(2)	23,487	43,169	44,089	44,226	52,166
Debt ratio (Adjusted net financial debt/Adjusted net invested capital)		43.1%	59.4%	57.5%	50.2%	44.7%

Consolidated profit ratios (*)

		2024	2023	2022	2021	2020
EBITDA / Revenues	(1)	33.4%	32.5%	33.9%	33.2%	42.6%
EBIT / Revenues (ROS)	(1)	10.7%	9.4%	3.8%	(23.0%)	13.3%
Adjusted net financial debt/EBITDA	(1)	2.1	5.5	4.7	4.4	3.5

(*) On July 1, 2024, TIM S.p.A. transferred the “NetCo” business unit –consisting of the activities relating to the primary network, the wholesale business and 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”)) and, together with FiberCop S.p.A., entered into a master services agreement regulating the terms and conditions of the services provided between FiberCop S.p.A. and TIM S.p.A.. On that date, therefore, the deconsolidation of the transferred entity occurred and the effects of the Transaction on the income statement and financial position were recognized. The income statement figures of the Transferred Business Unit, Telenergia S.r.l. and FiberCop S.p.A., pertaining to the TIM Group until the date of transfer as well as the comparative figures for fiscal year 2023, have been classified under "Discontinued operations/non-current assets held for sale," in accordance with IFRS 5.

(1) Details are provided under “Alternative Performance Measures”.

(2) Adjusted net invested capital = Total equity + Adjusted net financial debt.

Headcount, number in the Group at year end [1]

(number)	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Headcount (excluding headcount relating to Discontinued operations/Non-current assets held for sale)	26,887	47,180	50,392	51,929	52,347
Headcount relating to Discontinued operations/Non-current assets held for sale	—	—	—	—	—

Headcount, average number in the Group [1]

(equivalent number)	2024	2023	2022	2021	2020
Headcount (excluding headcount relating to Discontinued operations/Non-current assets held for sale)	23,752	24,966	45,912	47,942	49,099
Headcount relating to Discontinued operations/Non-current assets held for sale	9,089	18,524	—	—	—

Financial performance measures

TIM S.p.A.

(euros)		2024	2023	2022
Share prices (December average)				
- Ordinary		0.25	0.28	0.21
- Savings shares		0.29	0.28	0.20
Market capitalization (in million euros)		5,507	5,934	4,465
Market to Book Value	(*)	0.46	0.45	0.31

TIM Group

(euros)	2024	2023	2022
Basic earnings per share - ordinary shares	(0.03)	(0.07)	(0.14)
Basic earnings per share – savings shares	(0.03)	(0.07)	(0.14)
Diluted earnings per share - ordinary shares	(0.03)	(0.07)	(0.14)
Diluted earnings per share – savings shares	(0.03)	(0.07)	(0.14)

(1) Includes agency contract workers.

(*) Capitalization/Equity of TIM S.p.A..

Introduction

*The TIM Group and TIM S.p.A. Consolidated Financial Statements for the year 2024 and the comparative figures for the previous year have been prepared in compliance with **IFRS** issued by the International Accounting Standards Board and endorsed by the European Union ("IFRS"). The accounting policies and consolidation principles adopted are consistent with those applied for the TIM Group Consolidated Financial Statements and the TIM S.p.A. Separate Financial Statements at December 31, 2023, except for the amendments to the standards issued by IASB and adopted starting from January 1, 2024.*

*The TIM Group's operating performance is affected by **other non-recurring net operating expenses** connected to events and transactions that by their nature do not occur on an ongoing basis in the normal course of operations and which have been shown because their amount is significant. Non-recurring charges include, among others, any goodwill impairment changes, charges associated with corporate reorganization/restructuring, provisions for regulatory disputes and potential liabilities related to them, liabilities with customers and/or suppliers, provisions for onerous contracts and prior-year adjustments.*

*On July 1, 2024, the transaction for the sale of the business related to the domestic fixed network (primary network and wholesale business of TIM S.p.A.), to FiberCop S.p.A. and Telenergia S.r.l. ("**NetCo**") was completed. The P&L results from this business have been classified, in accordance with IFRS 5, as Assets Sold/Available-for-Sale Assets. As a result of this classification by NetCo, the figures in the separate income statement and the cash flow statement for 2023 have been consistently reclassified, as required by IFRS 5.*

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 2024 and 2023 of the business in the "TIM ServCo" perimeter 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 TIM ServCo 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 second half of the year, the actual accounting impact of the MSA and the Transitional Services Agreement (TSA).

The TIM Group uses some alternative performance indicators in addition to the conventional financial indicators required by IFRS Accounting Standards.

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; 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 Annual Financial Report 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. For further details, please refer to the "Main risks and uncertainties" chapter, which details the main risks relating to the TIM Group's business activities which could affect, including considerably, the ability to achieve the objectives set.

Highlights

2024 was a year of profound transformation for TIM, marked by the completion of the journey begun in 2022 with the completion of the sale of NetCo to Kohlberg Kravis Roberts & Co. L.P. ("KKR") and the resulting reduction in financial debt.

The Group's new structure is driving improved performance in the domestic market, while operational efficiency and cash generation continue to grow in the Brazilian market.

On the financial front, TIM closed 2024 by meeting or exceeding the Group guidance provided to the market for the third consecutive year and is laying the foundation for accelerating the company's development.

2024 RESULTS (organic results[1])

- Group **total revenues** amounted to 14.5 billion euros, up by 3.1% year-on-year (+1.5% in domestic to 10.2 billion euros, +6.8% in Brazil to 4.4 billion euros); Group service revenues rose by 3.4% year-on-year to 13.5 billion euros (+2.0% in domestic to 9.3 billion euros, +6.6% in Brazil to 4.2 billion euros);
- Group **EBITDA** grew significantly, increasing by 8.3% year-on-year to 4.3 billion euros (+8.3% domestic to 2.2 billion euros, +8.3% in Brazil to 2.2 billion euros);
- Group **EBITDA After Lease** grew remarkably, rising 10.1% year-on-year to 3.7 billion euros (+8.5% in domestic to 2 billion euros, +11.9% in Brazil to 1.7 billion euros);
- **TIM Consumer**[2] reported total revenues rising to 6.1 billion euros (+0.6% year-on-year). The entity continued on its path of stabilization during 2024: factors supporting this trend include the positive effects of repricing activities carried out since the beginning of the year and limited churn. Customer platform revenues are also up thanks to combined broadband connectivity and entertainment offerings and ICT services revenues for small and medium-sized enterprises (+7%);
- **TIM Enterprise**[2] reported total revenues of 3.3 billion euros (+4.1% year on year). The entity continued to outperform the reference market (service revenues +6%) due to its strategy of defending its connectivity business and growth in IT revenues, which account for 64% of the total. There was a 4.1 billion euro increase in the value of contracts signed in the 12 months, with the contribution of the Polo Strategico Nazionale (520 million euros compared to 300 million euros in 2023);
- **TIM Brasil** reported revenues of 4.4 billion euros (+6.8% year-on-year) and an EBITDA After Lease of 1.7 billion euros (+11.9% year-on-year), continuing the growth trajectory of the last two years thanks to the momentum from the mobile segment.

During the year, cost containment actions aimed at increasing the level of structural efficiency of the domestic perimeter continued successfully ("Transformation Plan") and 115% of the target of a reduction in excess of the 0.2 billion euros forecast for the 2024 was achieved.

The Group's Adjusted Net Financial Debt After Lease as at December 31, 2024 fell below 7.3 billion euros, down 0.8 billion euros from the value immediately following the completion of the sale of NetCo, thanks to organic cash generation in the second half of the year and the sale of the remaining stake in INWIT, which was finalized in November. The Group has achieved the stated deleverage target, with a ratio of Adjusted Net Debt After Lease to Organic EBITDA After Lease[3] below 2x.

The Group's liquidity margin covers financial maturities until 2029.

[1] TIM Domestic's financial results as at December 31, 2024 are based on preliminary and "like-for-like" management information, reworked simulating for the first half of 2024 the impact of the relationship between TIM and NetCo/FiberCop, governed by the Master Service Agreement (MSA), while, for the second half, the results reflect the actual accounting impact of the MSA and the Transitional Services Agreement (TSA). The 2023 results used as a comparison are also based on "like-for-like" information, simulating the effects of the TIM/NetCo relationship as if the NetCo sale had taken place on January 1, 2023.
[2] The revenues of TIM Consumer and TIM Enterprise and the related growth percentages are shown net of the ratios between the two areas and include the effects of the Master Service Agreement with FiberCop and, from the third quarter of 2024, also the Transitional Service Agreement.
[3] Organic EBITDA After Lease for 2024 is to be understood as the "like-for-like" organic EBITDA After Lease of the TIM Group after the sale of NetCo.

The following are the main financial results of the like-for-like **TIM Group ("like-for-like TIM Group ServCo")** in which the organic economic and financial information relating to the operating performance for 2024 and 2023 have been reworked 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) ServCo TIM Group perimeter, as if it had occurred at the start of the reference period (January 1).

Like-for-like TIM Group ServCo results

(million euros) - organic data (*)	4th Quarter 2024	4th Quarter 2023	% Change	2024	2023	% Change
Revenues	**3,812**	**3,733**	**2.1**	**14,493**	**14,062**	**3.1**
TIM Domestic	2,758	2,737	0.8	10,162	10,011	1.5
of which TIM Consumer	*1,551*	*1,524*	*1.8*	*6,078*	*6,040*	*0.6*
of which TIM Enterprise	*1,018*	*998*	*2.0*	*3,291*	*3,162*	*4.1*
of which Sparkle	*231*	*273*	*(15.4)*	*971*	*1,021*	*(4.9)*
TIM Brasil	1,062	1,006	5.7	4,366	4,089	6.8
Service revenues	**3,472**	**3,417**	**1.6**	**13,497**	**13,049**	**3.4**
TIM Domestic	2,465	2,460	0.2	9,314	9,129	2.0
of which TIM Consumer	*1,378*	*1,393*	*(1.1)*	*5,546*	*5,538*	*0.1*
of which TIM Enterprise	*915*	*884*	*3.5*	*3,017*	*2,846*	*6.0*
of which Sparkle	*214*	*243*	*(11.9)*	*929*	*957*	*(2.9)*
TIM Brasil	1,015	967	5.1	4,218	3,958	6.6
EBITDA	**1,089**	**1,017**	**7.1**	**4,339**	**4,006**	**8.3**
TIM Domestic	558	516	8.1	2,190	2,023	8.3
TIM Brasil	533	503	6.3	2,155	1,991	8.3
EBITDA AL	**927**	**864**	**7.3**	**3,672**	**3,336**	**10.1**
TIM Domestic	515	472	9.0	2,014	1,857	8.5
TIM Brasil	414	394	5.7	1,664	1,487	11.9
CAPEX (net of telecommunications licenses)	**757**	**641**	**18.1**	**2,091**	**2,064**	**1.3**
TIM Domestic	535	432	23.8	1,311	1,291	1.5
TIM Brasil	222	209	6.3	780	773	1.0
EBITDA AL - CAPEX (net of telecommunications licenses)	**170**	**223**	**(23.8)**	**1,581**	**1,272**	**24.3**
TIM Domestic	(20)	40	—	703	566	24.2
TIM Brasil	192	185	5.1	884	714	23.8

(*) 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.

The main financial results of the **TIM Group, in which NetCo is classified as Discontinued Operations, were as follows: "TIM Group (NetCo Discontinued Operations)").** Specifically, the economic or financial results related to the domestic fixed network component (TIM S.p.A.'s primary network and wholesale business), FiberCop S.p.A. and Telenergia S.r.l. ("NetCo"), have been classified under IFRS 5 as results related to "Assets Sold/ Available-for-Sale Assets."

TIM Group (NetCo Discontinued Operations) financial highlights

(million euros) - reported data		2024 (a)	2023 (b)	% Change (a-b)
Revenues		**14,442**	**14,311**	**0.9**
EBITDA	(1)	**4,825**	**4,645**	**3.9**
EBITDA Margin	(1)	*33.4%*	*32.5%*	*0.9pp*
EBIT	(1)	**1,545**	**1,342**	**15.1**
EBIT Margin	(1)	*10.7%*	*9.4%*	*1.3pp*
Profit (loss) for the year attributable to owners of the Parent		**(610)**	**(1,441)**	57.7
Capital Expenditures & spectrum		**2,129**	**2,168**	**(1.8)**

(million euros) - reported data		2024 (a)	2023 (b)	% Change (a-b)
Equity Free Cash Flow	(1)	**243**	**763**	**(68.2)**
Equity Free Cash Flow After Lease	(1)	**(321)**	**(64)**	**-**
Adjusted Net Financial Debt[2]	(1)	**10,126**	**25,656**	**(60.5)**
Net Financial Debt After Lease[2]	(1)	**7,266**	**20,349**	**(64.3)**

(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.

Disposal of NetCo

At its meeting of July 6, 2022, TIM's Board of Directors approved the strategic objective of reorganizing the Company with the aim of leaving behind the Company's vertical integration.

In November 2023, the Board of Directors of TIM S.p.A., as a result of an extensive and thorough review conducted with the assistance of leading financial and legal *advisors*, reviewed and accepted the binding offer submitted on October 16, 2023 by Kohlberg Kravis Roberts & Co. L.P. ("KKR") for the purchase of TIM's fixed-line network assets and equity interests held in FiberCop S.p.A. and Telenergia S.r.l. (also referred to as the "NetCo"), by Optics BidCo S.p.A. (a subsidiary of KKR) (hereinafter referred to as the "NetCo Disposal").

Following acceptance of the offer, TIM S.p.A. then signed a *Transaction Agreement* with Optics BidCo that provided:

- the contribution by TIM S.p.A. of a business unit (the "Business Unit") - consisting of the activities related to the Primary Network, the so-called""*Wholesale"* business and the entire stake in the subsidiary Telenergia S.r.l. - in FiberCop S.p.A. ("FiberCop"), a company that already managed the activities related to the secondary fiber and copper network, and
- the simultaneous purchase by Optics Bidco of the entire shareholding held by TIM S.p.A. in FiberCop S.p.A. itself, following the aforementioned transfer.

The *Transaction Agreement* also provided that the consideration for the sale of the stake could also be partially paid through the transfer to Optics BidCo of part of the TIM Group's debt at the same time as the *closing of* the NetCo Disposal (*Liability Management/* Exchange Offers).

In detail, three Exchange Offers were made of new bonds issued by Optics BidCo with bonds previously issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. As of the closing date, a par value of 3,669,680,000 euros was exchanged for bonds issued by TIM S.p.A. and Telecom Italia Finance S.A., and a par value of USD 2,000,011,000 for bonds issued by Telecom Italia Capital S.A. The new bonds issued by Optics BidCo have essentially the same terms as the corresponding original bond series, including maturity, interest rate, interest payment dates and so-called restrictive covenants.

Preliminary activities carried out by TIM S.p.A. for the Disposal of NetCo include obtaining the following authorizations:

- authorization on distortionary foreign subsidies and authorization under the Golden Power framework (obtained in January 2024);
- authorization of the divestment from the European Commission (obtained in May 2024).

Following those authorizations being obtained, TIM S.p.A. made the transfer of the Business Unit to FiberCop with effect on July 1, 2024. also on July 1, 2024, TIM S.p.A. transferred to Optics Bidco the entire stake it held in the share capital of FiberCop and signed, with FiberCop, the so-called Master Services Agreement governing the terms and conditions of the services that are rendered between NetCo and TIM S.p.A.. .

It should also be noted that the sale agreement includes usual *post-closing* price adjustment mechanisms as well as *earn-out* mechanisms in favor of TIM.

For further details, including the economic and financial impacts related to the NetCo transaction, please refer to the Note "Discontinued Operations/Non-current Assets Held for Sale" in the TIM Group's consolidated financial statements and TIM S.p.A.'s separate financial statements as of December 31, 2024.

Complex contracts

As part of a process to identify and define initiatives to develop the Company's internal risk management system, in 2022 the TIM Group set up a Technical Committee to supervise complex contracts (the "Technical Committee").

The Technical Committee has defined:

- the objective criteria according to which a contract can be classified as "complex";
- a process for evaluating and authorizing complex contracts involving multiple players and expertise capable of assessing the various risk profiles (collective decision-making process);
- an update to the policy governing the formalization process of contracts within the Group by providing for a clear identification and formalization of the rationale underlying the decision-making process for awarding complex contracts, as well as the related escalation mechanisms, thus strengthening the process of identifying and reconstructing the sources, information elements and controls performed.

Since 2021, some multi-year contracts for the offer of multimedia content and a connectivity agreement have showed an overall negative margin over the entire contract term, with provisions having to be made for contractual risks for onerous contracts for the residual durations of the agreements. The residual value of the provision and the forecasts of the total contractual margin are periodically revised in order to confirm or update the initial estimates and the residual amount of the provision itself.

The utilization of the contractual risks provision for onerous contracts makes it possible to offset the negative EBITDA component (referring both to business operating performance and the commitments in terms of fees that TIM is contractually obliged to pay to counterparties) by recognizing a zero (organic) operating margin over the duration of the contract.

At December 31, 2024, the provision for contractual risks for onerous contracts totaled 70 million euros, which is sufficient to compensate the negative margins over the entire duration of the surviving contracts. It should be noted that, during 2024, the contract was entered into with DAZN and the related risk provision (110 million euros) was fully used.

Below are:

- the amount used in 2024 and 2023 of the Provision for risks to cover the negative margin;
- the amount of the total organic margins (organic EBITDA) without using the risk provision for onerous contracts.

	TIM Group		Domestic Business Unit	
(million euros)	2024	2023	2024	2023
ORGANIC EBITDA (including the use of the risk provisions for onerous contracts)	4,925	5,143	2,774	3,160
- Use of the risk provision for onerous contracts to cover the negative margin	(112)	(98)	(112)	(98)
ORGANIC EBITDA (excluding the use of the risk provisions for onerous contracts)	4,813	5,045	2,662	3,062

The amount of 112 million euros is the negative margin, for which the provision was used.

From a financial point of view, the negative margin covered by the provision impacts the net financial position and cash flows equally.

With reference to multi-year contracts which, in some cases, require TIM to pay the counterparty fees by way of a guaranteed minimum, it should be noted that the valuation of such contracts and the estimation of the costs associated with them is subject to numerous uncertainties, including market dynamics, pronouncements of market regulatory authorities and the development of new technologies to support the service. These estimates are periodically revised on the basis of the final data to ensure that the forecast figure remains within reasonably foreseeable ranges. Not all factors mentioned are under the Company's control and could, therefore, have a significant impact on future forecasts about the performance of the contracts themselves, the estimated margins (positive or negative), and the cash flows that will be generated.

Main changes in the scope of consolidation of the TIM Group

During 2024, the TIM Group:

- on July 1, 2024, TIM S.p.A. transferred the Business Unit –consisting of the activities relating to the Primary Network, the Wholesale business and 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")) and, together with FiberCop S.p.A., entered into a Master Services Agreement regulating the terms and conditions of the services provided between FiberCop S.p.A. and TIM S.p.A.. On that date, therefore, the deconsolidation of the transferred entity occurred and the effects of the Transaction on the income statement and financial position were recognized. The income statement figures of the Business Unit pertaining to the TIM Group up to the date of sale have been classified as Discontinued Operations, in application of IFRS 5;
- On June 24, 2024, through its subsidiary Telsy S.p.A. (Domestic Business Unit), TIM S.p.A. acquired control of QTI S.r.l., raising its percentage ownership in the 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.

The main changes in the scope of consolidation in 2023 were the following:

- the acquisition on April 20, 2023, by Telsy S.p.A. of the entire share capital of TS-Way S.r.l., a company engaged in the field of IT security (Domestic Business Unit);
- the sale on August 4, 2023 by TIM S.p.A. of the entire share capital of TIM Servizi Digitali S.p.A. (Domestic Business Unit).

Furthermore, in November 2023 the TIM Group, through Olivetti S.p.A., had sold the Olivetti business unit dedicated to cash systems for the retail sector to Buffetti (Dylog group).

CONSOLIDATED OPERATING PERFORMANCE

Revenues

TIM Group's total revenues (NetCo Discontinued Operations) in FY2024 amounted to **14,442 million euros**, +0.9% compared to FY2023 (14,311 million euros).

The breakdown of total revenues for the year 2024 by operating segment in comparison with 2023 is as follows:

(million euros)	2024		2023		Changes		
		% weight		% weight	absolute	%	% like-for-like
Domestic	10,111	70.0	9,937	69.4	174	1.8	1.5
Brazil	4,366	30.2	4,412	30.8	(46)	(1.0)	6.8
Other Operations	—	—	—	—	—		
Adjustments and eliminations	*(35)*	*(0.2)*	*(38)*	*(0.2)*	*3*		
Consolidated Total	**14,442**	**100.0**	**14,311**	**100.0**	**131**	**0.9**	**3.1**

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

(milioni di euro)	4th Quarter 2024	4th Quarter 2023	% Change	2024	2023	% Change
REVENUES	**3,812**	**3,870**	**(1.5)**	**14,442**	**14,311**	**0.9**
Foreign currency financial statements translation effect		(169)			(323)	
ORGANIC REVENUES excluding non-recurring items	**3,812**	**3,701**	**3.0**	**14,442**	**13,988**	**3.2**
Impacts deriving from:						
Master Service Agreement (MSA)	—	33		67	134	
Other	—	(1)		(16)	(60)	
Like-for-like ORGANIC REVENUES	**3,812**	**3,733**	**2.1**	**14,493**	**14,062**	**3.1**

EBITDA

TIM Group EBITDA (NetCo Discontinued Operations) in FY2024 is **4,825 million euros** (4,645 million euros in FY2023, +3.9%).

EBITDA by operating segment for 2024, compared to 2023, was as follows:

(million euros)	2024		2023		Changes		
		% weight		% weight	absolute	%	% like-for-like
Domestic	2,674	55.4	2,512	54.1	162	6.4	8.3
Brazil	2,155	44.7	2,141	46.1	14	0.7	8.3
Other Operations	(6)	(0.1)	(8)	(0.2)	2		
Adjustments and eliminations	*2*	—	—	—	*2*		
Consolidated Total	**4,825**	**100.0**	**4,645**	**100.0**	**180**	**3.9**	**8.3**

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

(milioni di euro)	4th Quarter 2024	4th Quarter 2023	% Change	2024	2023	% Change
EBITDA	**1,086**	**1,239**	**(12.3)**	**4,825**	**4,645**	**3.9**
Foreign currency financial statements translation effect		(84)			(157)	
Non-recurring expenses (income)	5	104		100	656	
Effect of translating non-recurring expenses (income) in currency		(2)			(1)	
ORGANIC EBITDA excluding non-recurring items	**1,091**	**1,257**	**(13.2)**	**4,925**	**5,143**	**(4.2)**
Impacts deriving from:						
New Master Service Agreement (MSA)	—	(446)		(902)	(1,814)	
Reversal of previous MSA between TIM and FiberCop	—	178		341	699	
Other	(2)	28		(25)	(22)	
Like-for-like ORGANIC EBITDA	**1,089**	**1,017**	**7.1**	**4,339**	**4,006**	**8.3**

For further details about "Non-recurring expenses (income)" please refer to the Note "Significant non-recurring events and transactions" in the TIM Group's consolidated financial statements as of December 31, 2024.

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

- **Acquisition of goods and services (8,017 million euros; 7,445 million euros in 2023):**

(million euros)	2024	2023	Change
Acquisition of goods	974	1,046	(72)
Revenues due to other TLC operators and costs for telecommunications network access services	1,260	1,294	(34)
Commercial and advertising costs	1,715	1,683	32
Professional and consulting services	214	253	(39)
Power, maintenance and outsourced services	1,023	836	187
Lease and rental costs	1,067	930	137
Other	1,764	1,403	361
Total acquisition of goods and services	**8,017**	**7,445**	**572**
% of Revenues	*55.5*	*52.0*	*3.5pp*

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 (1,478 million euros; 1,950 million euros in 2023):**

(million euros)	2024	2023	Change
Employee benefits expenses - Italy	**1,121**	**1,587**	**(466)**
Ordinary employee expenses and costs	1,034	1,107	(73)
Restructuring and other expenses	87	480	(393)
Employee benefits expenses – Outside Italy	**357**	**363**	**(6)**
Ordinary employee expenses and costs	357	361	(4)
Restructuring and other expenses	—	2	(2)
Total employee benefits expenses	**1,478**	**1,950**	**(472)**
% of Revenues	*10.2*	*13.6*	*(3.4)pp*

The reduction of 472 million euros in personnel costs is mainly attributable to:

- to the decrease of 393 million euros in the item "Restructuring costs and other expenses" of the Italian component. In 2024, 87 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. In 2023, charges totaling 480 million euros were incurred in relation to the exits of non-executive personnel – as provided for in application of Article 4 of Law no. 92 of June 28, 2012, in relation to in the agreement signed on March 21, 2023 by Parent Company TIM S.p.A with the trade unions – and in relation to the top-up of provisions for charges resulting from the agreements signed by Parent Company TIM S.p.A, Telecom Italia Sparkle, Telecontact, Noovle and Olivetti in 2022;
- the decrease of 73 million euros in the Italian component of ordinary employee expenses, mainly due to the savings resulting from the reduction of the average Italian workforce by -2,126 units on average, partially offset by the lower impact caused by the reduction in hours under the "Solidarity contract" signed on April 12, 2024 as compared to the prior Expansion agreement signed in 2022 and terminated on February 28, 2024 (+946 average units compared to 2023);
- the decrease of 6 million euros in the foreign component mainly related to the impact of turnover, the exchange rate change and the local salary dynamics of the Brazil Business Unit.

- **Other income (233 million euros; 141 million euros in 2023):**

(million euros)	2024	2023	Change
Late payment fees charged for telephone services	37	37	—
Recovery of employee benefit expenses, purchases and services rendered	17	11	6
Capital and operating grants	16	17	(1)
Damages, penalties and recoveries connected with litigation	7	24	(17)
Estimate revisions and other adjustments	96	40	56
Income for special training activities	1	2	(1)
Services related to the MSA in place with FiberCop S.p.A.	42	—	42
Other	17	10	7
Total	**233**	**141**	**92**

The increase from 2023 is mainly related to:

- income from the Master Service Agreement signed by the Parent Company TIM S.p.A. with FiberCop S.p.A. as of July 1, 2024 (42 million euros);
- the increase of 56 million euros in estimate revisions and other adjustments of the Parent Company, mainly related to the repayment of part of the penalty pertaining to the A514 proceeding, as per the November 13, 2024 Council of State ruling.

- **Other operating expenses (662 million euros; 772 million euros in 2023):**

(million euros)	2024	2023	Change
Write-downs and expenses in connection with credit management	232	226	6
Provision charges	56	86	(30)
TLC operating fees and charges	213	218	(5)
Indirect duties and taxes	78	60	18
Penalties, settlement compensation and administrative fines	9	24	(15)
Subscription dues and fees, donations, scholarships and traineeships	9	9	—
Sundry expenses	65	149	(84)
Total	**662**	**772**	**(110)**

Depreciation and amortization

In 2024 the item amounts to 3,189 million euros (3,292 million euros in 2023) and breaks down as follows:

(million euros)	2024	2023	Change
Amortization of intangible assets with a finite useful life	1,419	1,462	(43)
Depreciation of tangible assets	1,194	1,191	3
Amortization of rights of use assets	576	639	(63)
Total	**3,189**	**3,292**	**(103)**

Net impairment losses on non-current assets

Net impairment losses on non-current assets in FY2024 amounted to 94 million euros.

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.

In preparing the Annual Report for 2024, the TIM Group carried out an impairment test on goodwill. The results of that testing, carried out in accordance with the specific procedure adopted by the Group, confirmed the amounts of Goodwill allocated to the Group's individual Cash Generating Units.

On February 12, 2025, the Directors of TIM S.p.A. accepted the binding offer for the sale of the entire stake (100%) held in Telecom Italia Sparkle, and the recoverability of the related net assets was verified after allocating the portion of Domestic goodwill allocable to the Sparkle group, estimated at 52 million euros. As a result of this assessment, it emerged that it was necessary to make an impairment charge that resulted in a total impact on the income statement of 80 million euros, 52 million euros of which related to the allocated goodwill.

For further details, please refer to the Notes "Goodwill" and "Provisions for risks and charges" in the Consolidated Financial Statements as of December 31, 2024 of the TIM Group.

EBIT

TIM Group EBIT (NetCo Discontinued Operations) in FY2024 is **1,545 million euros** (1,342 million euros in FY2023).

Other income (expenses) from investments

The item was positive for 75 million euros in 2024 (positive for 53 million euros in 2023) and mainly refers to:

- the net gain (62 million euros) related to the sale of TIM's remaining 10% stake in the share capital of the holding company Daphne 3 S.p.A., which holds 30.8% of the share capital of Infrastrutture Wireless Italiane ("INWIT");
- to net capital gains related to the sale of investments in Italtel S.p.A., NordCom S.p.A. and Swascan S.r.l. totaling approximately 8 million euros.

The balance for the 2023 financial year mainly includes the income connected to the definition of the Adjusted Closing Price relating to the acquisition by the Brazilian subsidiary TIM SA of part of the Oi group's mobile telephony assets (56 million euros).

Finance income (expenses), net

Finance income (expenses) showed a net expense of 1,343 million euros (negative for 1,404 million euros in 2023). The reduction is essentially attributable to the dynamics of interest rates.

Income tax expense

In 2024, income taxes amounted to 174 million euros (56 million euros in 2023) and mainly refers to Brazil Business Unit companies which recorded a positive pre-tax result.

Profit (loss) for the year

This item breaks down as follows:

(million euros)	2024	2023
Profit (loss) for the year	**(364)**	**(1,107)**
Attributable to:		
Owners of the Parent:		
Profit (loss) from continuing operations	(99)	(270)
Profit (loss) from Discontinued operations / Non current assets held for sale	(511)	(1,171)
Profit (loss) for the year attributable to owners of the Parent	**(610)**	**(1,441)**
Non-controlling interests:		
Profit (loss) from continuing operations	182	176
Profit (loss) from Discontinued operations / Non current assets held for sale	64	158
Profit (loss) for the year attributable to Non-controlling interests	**246**	**334**

The **result related to "Discontinued operations/Non-current assets held for sale"** was negative 447 million euros; specifically, it includes a gain of 183 million euros, which is net of incidental costs, recognized in the second half of 2024 following the completion of the NetCo sale.

The **Net loss for 2024** was 364 million euros (loss of 610 million euros **attributable to owners of the Parent**). Specifically:

- the second half of 2024 saw a profit of 139 million euros (profit of 36 million euros attributable to owners of the Parent);
- the first half of 2024 resulted in a loss of 503 million euros (loss of 646 million euros attributable to the owners of the Parent), also related to the assets included in Discontinued Operations, which were sold on July 1, 2024.

Also, please note that the *Master Services Agreement* governing the relationship between TIM S.p.A. and NetCo became effective as of July 1, 2024.

***Key operating* and financial data**

BUSINESS UNIT

Domestic

REVENUES	EBITDA
10,111 millions of euros	2,674 millions of euros

EBITDA LIKE-FOR-LIKE	EBITDA AFTER LEASE LIKE-FOR-LIKE
2,101 millions of euros	2,014 millions of euros

Key Performance Indicators di TIM Consumer

	Total Accesses	Active Ultra Broadband Accesses	Consumer Arpu
Fixed	7,169 thousand	5,478 thousand	30.2 €/month

	Lines	Consumer Arpu Human calling
Mobile	at period end 15,984 thousand	10.6 €/month

Brasil

REVENUES	EBITDA
4,366 millions of euros	2,155 millions of euros

ORGANIC EBITDA AFTER LEASE	LINES	ARPU MOBILE
1,664 millions of euros	62,058 end of period	31.4

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

Domestic

(million euros)	2024 (a)	2023 (b)	Changes (a-b) absolute	%	% like-for-like
Revenues	10,111	9,937	174	1.8	1.5
EBITDA	2,674	2,512	162	6.4	8.3
% of Revenues	*26.4*	*25.3*		*1.1pp*	
EBIT	589	516	73	14.1	
% of Revenues	*5.8*	*5.2*		*0.6pp*	
Headcount at year end (number) (°)	17,751	37,901	(20,150)	(53.2)	

(*) Includes agency contract workers: 63 as of December 31, 2024 (31 as of December 31, 2023).

Revenues

Domestic Business Unit (NetCo Discontinued Operations - Domestic ServCo) revenues amounted to 10,111 million euros, up 174 million euros compared to 2023 (+1.8%).

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

(milioni di euro)	4th Quarter 2024	4th Quarter 2023	Changes %	2024	2023	Changes %
REVENUES	**2,758**	**2,704**	**2.0**	**10,111**	**9,937**	**1.8**
Foreign currency financial statements translation effect	—	1		—		
Non-recurring income/(expenses)	—	—		—	—	
ORGANIC REVENUES - excluding non-recurring items	**2,758**	**2,705**	**2.0**	**10,111**	**9,937**	**1.8**
Impacts deriving from:						
Master Service Agreement (MSA)	—	33		67	134	
Other	—	(1)		(16)	(60)	
Like-for-like ORGANIC REVENUES	**2,758**	**2,737**	**0.8**	**10,162**	**10,011**	**1.5**

"Like-for-like" service revenues amounted to 9,314 million euros (+185 million euros compared to 2023, +2.0%), thanks to the growth in ICT and Multimedia revenues despite the impact of a competitive market on the customer base.

"Like-for-like" Handset and Bundle & Handset revenues, including the change in work in progress, totaled 848 million euros in 2024, down 34 million euros from the previous year, due to a decline in both the TIM Enterprise and Wholesale International Market segments.

Following the completion of the delayering operation, resulting in the sale of NetCo, the presentation of revenues has been changed, so that the revenues shown below are divided between TIM Consumer, TIM Enterprise, and the Wholesale International Market (TI Sparkle group), complete with the breakdown of the reference perimeter.

- **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:

	12/31/2024	12/31/2023	12/31/2022
Total Fixed accesses (thousands)	7,169	7,499	7,799
Of which active ultra-broadband accesses (thousands)	*5,478*	*5,404*	*5,269*
Fixed Consumer ARPU (€/month) (1)	30.2	28.2	28.4
Mobile lines at period end (thousands)	15,984	16,397	16,812
of which Human calling (thousands)	*13,280*	*13,578*	*13,991*
Mobile churn rate (%) (2)	19.4	19.2	20.4
Mobile Consumer Human calling ARPU (€/month) (3)	10.6	10.8	11.0

(1) Organic Consumer service revenues in proportion to the average number of Consumer accesses.
(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	4th Quarter 2024	4th Quarter 2023	2024	2023	% Change	
	(a)	(b)	(c)	(d)	(a-b)/b	(c-d)/d
TIM Consumer revenues - like-for-like	**1,551**	**1,524**	**6,078**	**6,040**	**1.8**	**0.6**
Service revenues	1,378	1,393	5,546	5,538	(1.1)	0.1
Handset and Bundle & Handset revenues	173	131	532	502	32.1	6.0

TIM Consumer's FY2024 revenues amounted to 6,078 million euros and were an improvement of 38 million euros compared to FY2023, despite the impact of the challenging competitive environment.

Service revenues, which totaled 5,546 million euros, increased by 8 million euros compared to 2023 (+0.1%).

TIM Consumer's **Handset and Bundle & Handset revenues** totaled 532 million euros, +30 million euros compared to the first half of 2023: the change is mainly related to higher sales volumes of mobile terminals.

- **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	4th Quarter 2024	4th Quarter 2023	2024	2023	% Change	
	(a)	(b)	(c)	(d)	(a-b)/b	(c-d)/d
TIM Enterprise revenues - like-for-like	**1,018**	**998**	**3,291**	**3,162**	**2.0**	**4.1**
Service revenues	915	884	3,017	2,846	3.5	6.0
Handset and Bundle & Handset revenues	103	114	274	316	(9.6)	(13.3)

The segment's revenues amounted to 3,291 million euros, up 129 million euros (+4.1%) from 2023, mainly due to the service revenues component (+6.0%), driven by cloud and security services.

- **Wholesale International Market.** *Includes the activities of the TI Sparkle group, which operates in the market for international voice, data and Internet services for fixed and mobile telecommunications operators, ISPs/ASPs (Wholesale market) and multinational companies through its own networks in the European, Mediterranean and South American markets.*

  Revenues for 2024 in the Wholesale International Market segment amounted to 971 million euros, down compared to 2023 (-50 million euros, -4.9%), due to the geopolitical situation that resulted in the postponement of several deals related to fiber/spectrum sales and the rationalization of traditional voice revenues, partly offset by growth in revenues related to mobile operator solutions.

EBITDA

Domestic Business Unit (NetCo Discontinued Operations - Domestic ServCo) EBITDA in 2024 amounted to 2,674 million euros (+162 million euros compared to 2023, +6.4%).

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

(milioni di euro)	4th Quarter 2024	4th Quarter 2023	Changes %	2024	2023	Changes %
EBITDA	**553**	**655**	**(15.6)**	**2,674**	**2,512**	**6.4**
Foreign currency financial statements translation effect	—	—		—	—	
Non-recurring expenses (income)	5	102		100	648	
ORGANIC EBITDA excluding non-recurring items	**558**	**757**	**(26.3)**	**2,774**	**3,160**	**(12.2)**
Impacts deriving from:						
New Master Service Agreement (MSA)	—	(446)		(902)	(1,814)	
Reversal of previous MSA between TIM and FiberCop	—	178		341	699	
Other	—	27		(23)	(22)	
Like-for-like ORGANIC EBITDA	**558**	**516**	**8.1**	**2,190**	**2,023**	**8.3**

In relation to the results of the Domestic Business Unit (NetCo Discontinued Operations - Domestic ServCo) and the dynamics of the main items, it is highlighted that the same dynamics already commented on in the consolidated Group context influenced the main trends; in detail:

(million euros)	2024	2023	Change
Acquisition of goods and services	6,447	5,789	658
Employee benefits expenses	1,145	1,612	(467)
Other operating expenses	265	384	(119)

Specifically:

- **Other income** amounted to 208 million euros with an increase of 82 million euros compared to 2023:

(million euros)	2024	2023	Change
Late payment fees charged for telephone services	19	23	(4)
Recovery of employee benefit expenses, purchases and services rendered	17	11	6
Capital and operating grants	16	17	(1)
Damages, penalties and recoveries connected with litigation	6	24	(18)
Estimate revisions and other adjustments	96	42	54
Income for special training activities	1	2	(1)
Services related to the MSA in place with FiberCop S.p.A.	42	—	42
Other	11	7	4
Total	**208**	**126**	**82**

The increase in **Other income** is mainly due to the income (42 million euros) from the MSA entered into with FiberCop S.p.A. during the year and the increase of 54 million in the estimate revisions and other adjustments, mainly relating to the repayment of part of the penalty pertaining to the A514 case, as per the Council of State's ruling of November 13, 2024.

- **Acquisition of goods and services** amounted to 6,447 million euros with an increase of 658 million euros compared to 2023:

(million euros)	2024	2023	Change
Acquisition of goods	787	832	(45)
Revenues due to other TLC operators and interconnection costs	1,050	1,095	(45)
Commercial and advertising costs	1,233	1,179	54
Professional and consulting services	97	113	(16)
Power, maintenance and outsourced services	784	587	197
Lease and rental costs	797	661	136
Other	1,699	1,322	377
Total acquisition of goods and services	**6,447**	**5,789**	**658**
% of Revenues	*63.8*	*58.3*	*5.5*

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 1,145 million euros, a decrease of 467 million euros compared to 2023. The same dynamics already described in the information given on the consolidated operating performance impacted this performance too.

- **Other operating costs** amounted to 265 million euros, a decrease of 119 million euros compared to 2023.

(million euros)	2024	2023	Change
Write-downs and expenses in connection with credit management	113	108	5
Provision charges	37	57	(20)
TLC operating fees and charges	21	22	(1)
Indirect duties and taxes	34	32	2
Penalties, settlement compensation and administrative fines	9	25	(16)
Subscription dues and fees, donations, scholarships and traineeships	7	7	—
Sundry expenses	44	133	(89)
Total	**265**	**384**	**(119)**

EBIT

Domestic Business Unit (NetCo Discontinued Operations - Domestic ServCo) EBIT **in 2024** amounted to 589 million euros (+73 million euros compared to 2023).

EBIT for 2024 was particularly affected by net write-downs of non-current assets for a total of 94 million euros, of which 52 million euros related to the goodwill attributed to the Telecom Italia Sparkle group.

Brazil

	(million euros)		(million Brazilian reais)				
	2024	**2023**	**2024**	**2023**	**Changes**		
					absolute	**%**	**% organic excluding non-recurring**
	(a)	**(b)**	**(c)**	**(d)**	**(c-d)**	**(c-d)/d**	
Revenues	4,366	4,412	25,448	23,834	1,614	6.8	6.8
EBITDA	2,155	2,141	12,562	11,562	1,000	8.6	8.3
% of Revenues	*49.4*	*48.5*	*49.4*	*48.5*		*0.9pp*	*0.7pp*
EBIT	960	833	5,597	4,501	1,096	24.4	23.2
% of Revenues	*22.0*	*18.9*	*22.0*	*18.9*		*3.1pp*	*2.9pp*
Headcount at year end (number)			9,123	9,267	(144)	(1.6)	

The average exchange rates used for the translation into euro (expressed in terms of units of Real per 1 euro) were 5.82877 for 2024 and 5.40158 for 2023.

	2024	**2023**
Mobile lines at period end (thousands) (*)	62,058	61,248
Mobile ARPU (reais)	31.4	29.5
ARPU BroadBand (reais)	97.2	96.9

(*) Includes corporate lines.

The **Brazil Business Unit (Tim Brazil 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 2024 of the **Brazil Business Unit (TIM Brazil group)** amounted to 25,448 million reais (23,834 million reais in 2023, +6.8%).

The growth was determined by **service revenues** (24,588 million reais vs 23,071 million reais for 2023, +6.6%) with mobile telephony service revenues growing 6.8% in 2024 due to the continuous improvement of the post-paid segment. Revenues from fixed services grew by 3.3% compared to 2023, driven above all by the growth rate of Ultrafiber.

Revenues from product sales totaled 860 million reais (763 million reais in 2023).

Revenues in the fourth quarter of 2024 totaled 6,631 million reais, increased by 5.7% on the fourth quarter of 2023 (6,275 million reais).

Mobile ARPU for 2024 was 31.4 reais (29.5 reais in 2023, +6.2%).

Total mobile lines at December 31, 2024 amounted to 62.1 million, +0.9 million lines compared to December 31, 2023 (61.2 million lines). Within this change, +2.6 million is attributable to the post-paid segment and -1.7 million to the pre-paid segment. Post-paid customers represented 48.7% of the customer base as of December 31, 2024 (45.1% at December 31, 2023).

Broadband ARPU for 2024 was 97.2 reais (96.9 reais in 2023).

EBITDA

EBITDA in 2024 was 12,562 million reais (11,562 million reais in 2023, +8.6%) and the margin on revenues amounted to 49.4% (48.5% in 2023).

Organic EBITDA, net of the non-recurring items, increased by 8.3% and was calculated as follows:

(million Brazilian reais)	**2024**	**2023**	**Changes**	
			absolute	**%**
EBITDA	12,562	**11,562**	**1,000**	**8.6**
Non-recurring expenses (income)	—	42	(42)	
ORGANIC EBITDA excluding non-recurring items	12,562	**11,604**	**958**	**8.3**

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 49.4% in organic terms (48.7% in 2023).

EBITDA in the fourth quarter of 2024 totaled 3,325 million reais, +6.3% on the fourth quarter of 2023 (3,128 million reais).

In organic terms, as a percentage of revenues, the organic EBITDA margin for the fourth quarter of 2024 was 50.1% (49.9% in the fourth quarter of 2023).

The changes in the main cost items are shown below:

	(million euros)		(million Brazilian reais)		
	2024 (a)	2023 (b)	2024 (c)	2023 (d)	Change (c-d)
Acquisition of goods and services	1,601	1,687	9,330	9,111	219
Employee benefits expenses	331	338	1,930	1,823	107
Other operating expenses	393	383	2,288	2,075	213

EBIT

EBIT for 2024 was 5,597 million reais (4,501 million reais in 2023, +24.4%).

Organic EBIT, net of the non-recurring items, was calculated as follows:

(million Brazilian reais)	2024	2023	Changes	
			absolute	%
EBIT	5,597	4,501	1,096	24.4
Non-recurring expenses (income)	—	42	(42)	
ORGANIC EBIT - excluding non-recurring items	5,597	4,543	1,054	23.2

The margin on revenues was 22.0% (19.1% in 2023).

EBIT for the fourth quarter of 2024 totaled 1,620 million reais (1,399 in the fourth quarter of 2023).

As a percentage of revenues, the organic EBIT margin for the fourth quarter of 2024 was 24.4% (22.3% in the fourth quarter of 2023).

COMMERCIAL STRATEGY2024

PREMIUM POSITIONING AND ***TECHNOLOGY*** LEADERSHIP

- First on the market to offer the 10Gbp fiber connections and expansion of fiber coverage to small towns (“white” areas)
- Development of 5G ULTRA in over 4,500 municipalities and launch of 5G FWA technology

CONVERGENCE AND **VALUE**

- Launch of Ultra Convergence: Fixed, Mobile, Devices, and Content
- New TIM WiFi Casa and 5G ULTRA offer portfolio, also including top-tier TV contents
- New “Business grade” portfolio for Small and Medium Business companies, customizable with advanced connectivity options and digital solutions designed for specific segments

CUSTOMER BASE - DRIVEN DATA ***MANAGEMENT***

- Strengthening our cross-selling and upselling initiatives
- Churn Reduction through targeted actions and a review of the churn management process

CUSTOMER PLATFORM, **SERVICES** AND **DIGITAL CONTENT**

- ICT solutions designed for the SMB segment in the cyber, cloud, AI and digital marketing fields
- Strengthening TIMVISION’s position as the leading content aggregator in the Italian market and expansion of the streaming TV package offering

SALES **CHANNELS**

- SMB: Strengthening digital channels and stores for core solutions and focusing agents on ICT solutions and high value customers
- Consumer: Digital channel development, restyling and increased stores productivity, enhancement in purchasing quality on push channels

MAIN COMMERCIAL DEVELOPMENTS

Domestic

Strengthening the Brand

In 2024, TIM strengthened its “La forza delle connessioni (The strength of connections)” communication platform thanks to the continuation of its successful TV story-telling format, which looks at some of the human connections made possible by TIM technology by focusing on global Italian leaders in the worlds of sport and music.

With a century-long history of serving the country’s development and growth, TIM’s commitment is not only to serve people and businesses by providing reliable services, but also to be present as a force for change and progress of the country, feeling the responsibility as a brand to maximize the positive impact on society.

For this reason, the “La Parità Non Può Aspettare (Equality Can’t Wait)” platform has been enriched with projects and initiatives that underline TIM’s commitment to gender equality and raise awareness of this important issue.

These various initiatives include the “Il Laberinto” (The Labyrinth) campaign directed by Academy Award winner Giuseppe Tornatore., which calls on all civil society to take action to break down walls by giving a central role in the story to the everyday prejudices, stereotypes and gender differences faced by women: a labyrinth of hardships from which there appears to be no escape.

TIM has also reinforced its reputation for innovation with TIM Enterprise, lending the brand a new visual identity for the delivery of innovative services to the Business and Public Administration market. This new, innovation-focused visual identity has helped form an instantly recognizable brand that reflects TIM’s creative flexibility and the different strands of innovation in which TIM is a major player. Right now, we are witnessing a major transformation of our society as digital permeates all areas of working and personal life, bringing with it increased challenges in terms of security and sustainability. New technologies, new *business* strategies, and new customer needs are constantly presenting us with new challenges. And as protagonists in this change, we have responded by evolving our brand to establish ourselves ever more strongly as a digital transformation partner for companies and the national economy by offering advanced solutions and innovative services across the board. After all, you can’t build the future by standing still.

A renewed value proposition with a focus on technological development and convergence, regard for strategic segments and a firm commitment to sustainability

TIM continues to lead the domestic market leadership with its 10Gbps Fiber offer. Five million 5G customers, 5G ULTRA rolled out across more than 4,500 towns and cities at speeds of up to 2Gbps, and priority for web browsing.

The most comprehensive Fiber + TV bundle on the market

Drive on convergence, with cross benefits for TIM’s fixed and/or mobile customers

New TIM WiFi Casa, Fiber and 5G ULTRA offering, with the best in TV content included

TIM Fiber connectivity even in rural towns and villages (“white” areas), with ultrabroadband network infrastructure extended to bring TIM fiber directly to customers’ homes

We’ve launched FWA 5G with speeds up to 300Mbps for a better streaming experience, letting you stream content even in places where fiber broadband can’t reach

Consumer

TIM further consolidated its technological leadership in 2024, offering Fiber connections of up to 10 Gigabits per second (XGS-PON), thus ensuring top-of-the-range connectivity and meeting the growing needs of customers by bringing cutting-edge technology into more homes.

Our consumer portfolio has been streamlined with our new **TIM WiFi Casa** offering, which brings simpler, more intuitive and on-demand algorithms and customer service, giving consumers an all-in-one solution in choosing their setup, content and products, all on advantageous terms.

TIM WiFi Casa also comes with the latest generation TIM HUB Pro modem**(WiFi 7**), ensuring a powerful, stable, secure connection in every corner of the house for the ultimate browsing experience.

In addition, the collaboration with Open Fiber means that TIM WiFi Casa is now available in small towns and villages classed as “White” Areas, with specialist technicians working to provide quality assistance at all stages of activation.

In 2024, TIM launched **5G FWA**, which is based on a complementary logic to the nationwide portfolio to ensure the best connectivity and service experience for customers. With the launch of its new TIM WiFi Casa offering, all of the benefits and options of the new TIM portfolio can also be enjoyed in non-Fiber covered areas with FWA technology.

A particular commercial push was given throughout 2024 to “ultra-convergence” by implementing packages integrating Fixed – Mobile – content – products – services, as a lever for loyalty and meeting customers’ needs.

In addition, the customer experience of converged customers has also been further improved thanks to **TIM Unica Power**, which has been enhanced with dedicated promotions (e.g., family content packages with favorable prices, discounted products and *smartphones*, etc.).

Finally, in the second half of 2024, actions were also taken locally with targeted promotions and communications in areas of increased competition.

On the mobile front, TIM continued to support the development of Ultra Broadband during 2024, reaching 5 million customers with active 5G and extending **5G ULTRA** coverage to more than 4,500 towns and cities at speeds of up to 2 Gigabits per second.

A new 5G profile has also been defined for speeds of up to 250Mbps, aimed at spreading 5G more quickly so as to improve quality for TIM mobile customers.

TIM's technological leadership is a crucial competitive advantage, enabling it to stand out in a highly competitive market. The distinctive quality of TIM's network has allowed the company to pursue a "value"-oriented strategy and helped it to forge a premium position in the market. Evidence of this can be seen from the numerous promotional and outreach initiatives connected with 5G ULTRA.

In 2024, TIM's device portfolio – while continuing to be dominated by the smartphone segment, with a portfolio largely focused on 5G references and with the launch of new products from the market's leading brands – expanded its offering in the "*House of Device*" product category (launched in 2023), as it further enhanced and diversified the purchasing opportunities available to customers by introducing **new brands and formats**. In addition, the focus on *wearables* that was evident in 2023 continued, while **new technologically innovative and distinctive market products were also pursued** in line with the company's diversification strategy, which aims to attract new customer segments and to counteract the shrinking smartphone market.

In this context, the most relevant categories are:

- **Dyson**: this was the biggest new entry in the "House of Device" category in 2024. Marketing of its varied product portfolio began in the second half of the year with the aim of growing opportunities in installment-plan sales;
- **Wearables**, particularly Samsung and Apple, with +220% YoY growth. The year also saw the launch of the **Smart Ring, an innovative new product that allows gesture-controlled digital POS payments** and constant biometric monitoring;
- **Nintendo**, whose product portfolio and brand have expanded TIM's possibilities in the world of gaming consoles. Nintendo thus joins PlayStation 5, which has also been expanded with new models and packaging offered to customers, on TIM's device portfolio. These are aimed at expanding the market's potential target audience and continuing the hype experienced in 2023;
- ***Smart* TV**, a category which was also consolidated by launching a new brand to round of the products offered in the category, thus elevating competitiveness and widening the target customer base.

The success in marketing these new products was primarily made possible by consolidating and developing the sales policies for the devices financed through TIMFin, the joint venture with Santander Consumer Bank.

Growth in **handset financing for Fixed and Mobile lines** is central to TIM's policy of harnessing the value of TIM's Customer Base, with the **churn of lines with handset financing now -42% lower** than lines without handset financing (figure relates to mobile lines only).

Therefore, TIM continued to invest in developing new ways of selling financed devices throughout 2024, helped in part by the important partnerships formed with major brands in the smartphone market.

The most notable were as follows:

- **TIM Next Evolution**: unique among operators in Italy, TIM's Next Evolution platform allows customers to purchase Apple products (iPhone, Apple Watch, iPad) in interest-free installments with an immediate discount equal to the guaranteed future value of the product at the end of the financing period. An additional discount is also given against used iPhones;
- possibility for points of sale to **finance products directly from TIM warehouses**, without the need to physically have the product; this feature, available since July 2023 and further developed in 2024, is particularly useful for bulky products(*e.g. smart* TVs), to maximize sales during product shortages in the market and to make the full range of TIM portfolio products available to all customers at all points of sale. The feature contributed to TIM's success on the launch of the new iPhone 16);
- 21% growth in the financing of **mid- to low-end products** – a market with ample room for growth;
- formation of new, increasingly segmented offers, aimed both at encouraging new Fixed and Mobile customers to join TIM and at triggering reward mechanisms for the valuable Customer Base;
- new Digital Customer Journey and simplification of the in-store Sales Journey;
- evolution of TIM/TIMFin systems and processes with the aims of minimizing time to market, reducing onboarding time, and generating evolved risk containment logics.

These new features are available for all product categories and, together with the push into new channels, they have contributed to +8% YoY financing growth in the face of a declining trend in the Italian smartphone market (source: GfK).

There has been continued growth in the financed smartphone related services offered in partnership with TIMFin:

- "**TIMFin Assicura Smartphone**" (insurance covering the repair or replacement of smartphones in case of accidental damage and/or theft) – in 2024, policies were sold **on 30% of** financed smartphones, an increase of 12 percentage points compared to 2023. In December 2024, it also became possible to insure other produce types (besides smartphones) as well as products purchased in a single payment.

- "**TIM Revalue Smartphone**", the trade-in program developed with sustainability and convenience in mind, which lets TIM hand in a used smartphone for a discount on a new one – customers used this scheme in 8% of new smartphone financings; in December 2024, this service was also extended to other product categories (e.g., smart watches, gaming consoles, etc.).

TIM's distribution network offers extensive coverage with around 3,000 TIMFin-affiliated dealers and more than 4,000 points of sale (PoS) nationwide.

The main activity is smartphone financing, but other (no-sim) devices for which TIM offers installments have also been added, including TVs, PlayStations, Nintendo, and Dyson products.

The TIMFin financing process is completely digital and is incorporated in the IT system made available by TIM to its sales network. The process uses OCR (Optical Character Recognition) tools for document capture, including scoring algorithms to immediately assess customers and OTP (One-Time-Password) technology to

formalize contracts electronically. The process is completely paperless, giving customers an innovative digital journey. In addition to device financing, TIMFin points of sales also offer insurance plans to protect against theft and accidental breakage, as well as accepting trade-ins of used devices, where customers can have their old devices valued immediately to obtain a reduction on the price of their new phone even when paying in installments.

In short, the main data of TIMFin in 2024:

- 437 thousand loans were transacted for the purchase of devices during 2024, up 6.6% on the previous year; Of these, around 65 thousand loans were granted on electronics (non-smartphones) items;
- 109,756 insurance policies were entered into alongside the device financing, up more than 44% on 2023; 27,637 used devices were traded in, a three-fold increase on 2023;
- 3200 personal loans were offered to TIM customers (up from 2000 in 2023) for a total value of around 33 million, up 65% on the previous year.

In addition, in order to guarantee a distinctive position, TIM has continued to promote and improve its portfolio of **digital services** by rolling them out to the Fixed Customer Base: TIM Safe Browsing, TIM PEC, SPID, Cloud service in partnership with Google, TIM One Number, Smart mobility, and Insurance (new policies such as TIM in Viaggio, Sport, and Kasko for smartphones sold in cash have been made available). Also in 2024, TIM Voce WiFi (a calling service that uses a Wi-Fi connection to let you call a smartphone even when there is no mobile coverage) was automatically made available on all iPhones. The e-SIM digitization process also made progress in 2024, with card replacement, new line sales and MNP procedures all available from the tim.it website. *QR codes* in stores have also been made paperless in stores; customers now receive emails containing a *QR code*.

Small and Medium Business Segment

In 2024, TIM constructed an added-value "Business Grade" Fiber portfolio, which is customizable by way of options which address specific business needs such as bonding, Premium Support, data back-up, cybersecurity, and digital marketing.

In terms of Guaranteed Bandwidth and VoIP professional connectivity solutions for the Small and Medium Enterprise market, the second half of the year saw TIM further develop the TIM Comunica portfolio, thus helping businesses to digitalize with an advanced, flexible and reliable communication solution that increases their productivity and enables smart working and team working.

The mobile portfolio has been revamped, with a greater role for unlimited data plans and the inclusion of roaming across 16 non-EU countries becoming a distinctive feature of the top-of-the-range plan.

A dedicated offering for New Businesses was also launched, facilitating business start-ups by providing benefits on fixed and mobile connectivity and specific ICT services. In the second half of the year, a Local offering was also placed on the market; this is the first example of *geomarketing* being used to selectively seize growth opportunities in certain areas of the country.

By reviewing and enhancing the functionality of digital properties, there have been improvements in customer loyalty, the digital experience (through the introduction of self features), and business volumes.

A reorientation of the agency network to harness higher-value customers and market high-end ICT services has been accompanied by a strengthening of the digital channel and growth in in-store acquisitions.

Data driven management of the customer base

One of the cornerstones of TIM's strategy comes consists in developing value and safeguarding the Customer Base from a data-driven perspective, with the aim of maximizing revenue and continuing the ongoing CVM ecosystem transformation plan. Developments in this field allow for the further development of campaign management logics through the scaling-up of machine learning tools and real time data so as to increase the effectiveness and personalization of commercial actions.

Consumer

With a view to the "Volume to Value" positioning strategy, the 2024 CVM actions are oriented towards increasing the share of wallet of the Customer Base.

The cross-selling initiatives, with particular emphasis on TIM Unica and Content, are a key element in increasing the penetration of the convergent. For Mobile Only or Fixed Only customers, the introduction of new offers and increasingly differentiated benefits on a needs basis has continued to help increase the value of the Customer Base and prevent churn.

Another important aspect was the increase in fiber-to-the-home (FTTH) penetration as part of a dedicated action plan to upgrade technology through customized campaigns which also used the Customer Data Platform.

Supporting the Mobile ARPU in 2024, the Upselling Core business was strengthened through the use of increasingly targeted multichannel private pricing models.

Also as part of the "Volume to Value" strategy, price repositioning actions continued across part of the fixed and mobile customer base, resulting in an increase in ARPU in both fixed and mobile services. This had limited impacts on churn rate thanks to having a churn management plan in place, which involved reviewing processes and actions in real time to optimize their effectiveness.

Small and Medium Business Segment

In order to support the Customer Base ARPU and to maximize revenues, actions were carried out in 2024 to refine campaign management tools on the one hand, and introduce new campaigns for customer advocacy and to develop the upselling business on the other.

Safeguarding the Customer Base

- Churn management tools were further refined with improved predictors based on big-data analytics, thus allowing actions to focus on higher-risk customer clusters.
- Selling propositions were optimized to reduce impacts on revenue: customer management efforts used offer selling and behavioral triggers to generate customized caring actions with a view to resolving customer-specific problems.
- A new "quick-response" management model was launched for higher-risk customers, with direct handover to a high-skill back office operator. The new process reduces time and increases redemption, resulting in more effective action.
- In 2024, the process of shutting down old copper exchanges commenced, with customers migrated to TIM's new ultrabroadband technologies that improve the customer experience and reduce churn. This started with a few exchanges to test tools and processes that maximize customer satisfaction and minimize economic impacts for TIM.
- Dedicated customer management actions were launched with vouchers expiring in 2024 which the government had made available to push fiber penetration among Italian small and medium-sized businesses. The customers concerned saw their billing amounts increase when the expiry date arrived and suffered targeted attacks from competitors. The action was carried out both inbound (for customers calling to complain about the price change) and outbound (for the most critical cases).
- Actions were reinforced to increasing the number of customers paying by direct debit, through dedicated campaigns and process improvement. Direct debit is one of the most relevant drivers for improving churn.
- Improved processes and tools to enhance the SMB customer experience, with a particular focus on the largest customers with sales portfolios. This has involved constant fine-tuning both of selecting the highest value customers and of the commissioning and management tools.

Upselling

- The Insight Sales model was launched which, for customer care, uses internal sales cores with dedicated offers and clusters to increase campaign effectiveness.
- Unlimited-giga sales increased in upselling on the Mobile Customer Base with the use of campaign management automation tools.
- Dedicated sales actions were developed according to the market shares of the TIM Business in each province, with involvement of the sales force.
- Customer Base repositioning actions continued among higher-value and higher-content offerings to support ARPU, both in mobile and fixed.

Digital services: New content delivery model, turnkey ICT solutions and new innovative services

Consumer

Also in 2024, audiovisual content maintained and strengthened its decisive role in supporting TIM's positioning. TIMVISION further consolidated its position as the main aggregator of sports and entertainment content on the Italian television market, thanks to: ongoing agreements with the main operators on the national and international market in light of important contract renewals; increasing integration with fixed/mobile/device offerings with the launch of **Fiber-bundled** (TIM Wifi Home and TV) **and mobile-bundled packages** (TIM Mobile and TV) in June, followed by the world of devices in December**;** and, finally, to the launch of new package offers that made the TIMVISION portfolio even more comprehensive, convenient and responsive to customers' multiple needs.

In 2024, TIMVISION's offering was supported by the following editorial and partnership agreements: for sport, the partnership with DAZN (renewed at the end of 2023 for another 5 years) was further strengthened thanks to the rebroadcasting on TIMVISION of two big matches from Serie A Enilive entirely for free (free-to-air football is back in Italian homes for the first time in 25 years). In addition, the **extension** of the agreement with **Warner Bros. Discovery** in May means that all Eurosport sports content remains available on TIMVISION. Consequently, in 2024, full coverage was offered of the **Paris Olympic Games** and **Roland Garros tennis**, with major live events viewable in 4k. As for entertainment, in addition to the constantly updated offering films and TV series – thanks to the agreement with Warner Bros. Discovery and the renewal of the agreements with RTI and La7 S.p.A. – two new linear channels (Warner TV and CNN International) are now available on TIMVISION (in addition to all Discovery+, Mediaset and La7 channels), with all content aired within the past seven days available on-demand and ad-free.

In addition to the various formulas of fiber, mobile and device bundles, the year also saw new offerings in football and other sports with the launch in June of **annual deferred subscriptions (alongside monthly subscriptions)** and the **TIMVISION Calcio and Sport Light package**. This package was launched in July and includes the new DAZN Goal Pass *tier* (3 matches per Serie A TIM matchday, the co-exclusive airing of 4 big matches per season plus all of Serie BKT). In addition, in October the portfolio was bolstered with the addition of the **TIMVISION** Family package, which includes DAZN Goal Pass, Disney+, Netflix and Amazon Prime.

In terms of service user interface, the Store returned to its rightful place on the Top Level Menu of the various windows in 2024, with **credit card purchases also permitted.** Partner consent was also made directly accessible from TIMVISION on devices other than TIMVISION Boxes, such as web and mobile; deep-links were used for this purpose to maximize the service's aggregating role and to help customers appreciate the value for money offered by TIMVISION.

Small and Medium Business

During 2024, TIM Business continued to work on simplifying and enhancing the portfolio of ICT solutions through the long-standing partnership built up with the top players on the market. These solutions aimed to meet evolving customer needs in the following areas:

- **IT Security**
  - launched **TIM Verify Security** in partnership with Telsy to support customers in **assessing how well they are protected from cyber risks**, helped to improve the security setup by identifying weaknesses and designed a cyber strategy; the Advanced version also includes a dedicated cyber **SOS** channel in case of attacks and a **legal protection** service;
  - launched **TIM Guardian**, a new fixed and mobile **browsing protection** platform which allows customers to easily customize their own *security policy* settings, with a monitoring dashboard where users can access information about all security events;
  - extended the Vulnerability Assessment and Penetration Test services to the Small and Business segment, enabling customers to assess the vulnerability of their IT *assets* through targeted analysis and identify security problems by simulating real hacker attacks on the customer's network;
- ***cloud & collaboration*** thanks to partnerships with **Google** and **Microsoft** for the provision of cloud computing, storage, data backup, collaboration and business productivity solutions, further enhanced with AI solutions;
- ***digital* marketing**, with the introduction of **AI**-based solutions to make services more effective and easier to use. The new solutions offer advanced tools for creating and optimizing websites and e-commerce sites. They also provide enhanced services for the automated management of social media pages and advertising campaigns by leveraging AI to create dynamic and optimized content in real time, thus fostering engagement and loyalty;
- **IoT** with solutions for geolocation/tracking of company fleets, performance monitoring and predictive maintenance of company vehicles.

Enterprise

During 2024, TIM confirmed its leadership role in the Italian market of Large Businesses and Public Administration by registering a commercial performance above the market average in high-potential, high-development segments. To do so, TIM leveraged its ability to bring innovation into the market in all five of its main business areas (fixed TLC, mobile TLC, cloud computing and IT services, cyber security and IoT), helped out by the Group's factories: Noovle for cloud and data centers, Telsy for cyber services, Olivetti for IoT, big data, smart cities and smart metering, and Trust Technologies for digital identity.

In this respect,, TIM strengthened its vertical competencies in the areas of IoT and cyber security during the year thanks to M&A transactions such as Olivetti's absorption of Staer Sistemi, a company that specializes in developing systems for field data capture in strategic sectors such as energy, water and infrastructure monitoring, in addition to the increased shareholdings in Mindicity, which specializes in the *smart cities* sector, and QTI, which specializes in quantum cryptography.

The commercial performance of TIM Enterprise continued the virtuous path of revenue growth of recent years, with a mix of revenues from services further shifted towards the IT sector, which has steadily exceeded 60%, in addition to the stability of traditional revenues from TLC.

Particularly significant growth was registered in the Cyber Security line of business, which outperformed growth in the reference market more than three times over with a YoY increase of more than 50%. This performance was aided by key Conventions and Consip Framework Agreements, as well as the launch of TIM Guardian, a network-integrated solution made available to the private enterprise market to protect customers' mobile and fixed connectivity.

Also in the area of Cyber Security, TIM has fostered numerous opportunities for grassroots meetings on the impacts of NIS2, working together with local authorities, associations and government institutions (including the Italian Cyber Security Agency) to raise awareness and pass on technologies that will benefit the industry and government.

In 2024, the activities of the National Strategic Pole – of which TIM is the main partner and technological enabler – experienced higher-than-expected growth both in terms of volumes of projects and customer signups and in terms of revenues, thanks to a wave of funding made available to public bodies from the Department for Digital Transformation, with more than 450 public bodies having joined up, thus achieving the NRRP target.

TIM's multicloud value proposition – in particular on IaaS, in which TIM Enterprise confirmed its leadership – has allowed it to maintain a growth rate of more than 22% on the overall market. This performance was aided by the launch of the new TIM Cloud Flex hybrid cloud offering, TIM Enterprise's cloud services platform developed especially for enterprises in order to offer high security and reliability standards, including the Italian Cyber Security Agency's QI2 qualification.

TIM has also demonstrated its excellence, exclusivity and capacity for innovation in the Italian market in innovative areas, such as 5G and the Internet of Things: this journey began with Xtended Reality tours of the Santa Croce Museum and Basilica, and has continued through other projects aimed at enhancing cultural heritage experiences in 5G and Virtual Reality, such as at 2024 Taormina Book Festival and at the Ducati Museum.

TIM's co-innovation capacity has also been made available to the market according to open innovation and co-innovation models, through participation in technology transfer centers, such as the **five highly specialized Competence Centers and the European Digital Innovation Hub** (in which TIM participates), in addition to the Customer Innovation Center, which was expanded in 2024 at the OGR Torino building in partnership con Google Cloud and which has a strong focus on Artificial Intelligence.

TIM's role as the digital driving force for Italy's industry and public sector is further underlined by TIM's continued high-level investments in significant, widespread infrastructure. In November, TIM announced strategic investment of around 130 million euros to support the growth of TIM Enterprise in the Cloud sector and to build a new 25 MW state-of-the-art Data Center near Rome by the end of 2026. The center is intended to support the growth of the National Strategic Hub, to meet global Hyperscaler requirements, and to host high-performance Graphic Processing Unit (GPU) hardware for Artificial Intelligence applications and quantum cryptography equipment in order to provide maximum security in data transmission.

The new site will be designed and built in line with the highest reliability and safety standards (Rating 4), it will have one of the best water consumption rates in the world, and it will be equipped with a rainwater recovery system so as not to affect the consumption of the city waterworks. About 88% of waste generated during construction is expected to be recycled.

Brazil

The year 2024 was marked by the consolidation of TIM as a leader in mobile coverage, primarily in the Network Consistency Quality Index.

TIM strengthened its research into social development and digitalization in Brazil and, for the 18th consecutive year, was selected for the Corporate Sustainability Index – ISE B3. TIM was, in addition, recognized for the fourth consecutive year as one of the most diversified and inclusive companies globally, reaching the top position among global telecommunications companies in the FTSE Russell D&I Index 2.

- **Marketing and brand positioning**: TIM continues to strengthen brand credibility, supporting social development and digitization in Brazil while developing the quality characteristics of the network. TIM continues to position itself at the forefront of the company's digital transformation. The brand slogan **"Immagina le possibilità" (Imagine the Possibilities)** invites customers to see the future in a positive light and demonstrates a commitment to support them as they face new challenges, opening up a world of opportunities. To reinforce our brand's positioning as a brand that values its customers and brings benefits beyond just gigabytes of data, in 2024 TIM launched an innovative partnership with one of the world's largest brewers, AMBEV, through a summer campaign under the slogan "Get a Top-up", offering exclusive discounts for customers by turning prepaid credits into discounts on Zé Delivey (a beverage deliveryapp). Similarly, starting in the second half of 2024, TIM innovated by initiating cashback payments to users' current accounts via PIX (direct financial) transfers against top-ups made through its app.
- **Mobile phone offers**: in 2024, we continued to improve our position among high-value consumers by offering a variety of package deals including voice services, data and free access to certain applications, in addition to value-added digital services (music, e-reading, video streaming). The targeting of this segment hinges on a strategy of giving added value to the customer base and providing users with a premium, personalized experience. 2024 was an exceptional year for our consumer market deals. With innovation in our DNA, we launched TIM Pre XIP and extended our partnership with entertainment brands and streaming services to our Controle plans.
- **Customer experience**: we focus on improving returns on investment and maximizing the customer experience, but we are also committed to playing our role in society by promoting environmental, social, and governance initiatives that we believe will result in positive transformation for all stakeholders. During 2024 TIM covered all towns and cities in Brazil with 4G, ensuring 100% 4G technology nationwide, in addition to the implementation of 5G coverage in more than 200 towns and cities, including all Brazilian state capitals. As a result, TIM was awarded the first 5G Consistent Quality award by Open Signal.
- **Sales channels**: there is always a high focus on channel productivity, segmentation and sales quality. In 2023, our main objectives were focused on increasing the share of proprietary channels, advancing the e-commerce internalization process, and redesigning the MEU TIM app to strategically improve the customer experience, broaden the customer base, users and enhance their digital journey. In 2024, we successfully implemented the second phase, which includes new features related to activation, portability and E-SIM processes, completely eliminating dependence on all external vendors. In 2024, we completed the development of the MEU TIM app. We have successfully completed the initial phase of transferring the operations and e-commerce system in-house, eliminating dependence on external vendors. This change

produced a new sales record and a significant improvement in unassisted sales channels. Our main goal is to improve the customer journey by prioritizing conversion rate optimization.

- **Residential market**: in 2024 migrating customers from FTTC to FTTH continued, in order to maximize customer experience and profitability, while consolidating the asset-light model to expand the presence through neutral network partnerships such as the one with I-Systems. TIM has taken a more selective approach to FTTH, focusing more on the profitability of the operation.

MAIN CHANGES IN THE REGULATORY FRAMEWORK

Domestic

Below are the main updates to the domestic regulatory context that occurred during 2024.

With regard to antitrust proceedings, please refer to the Note "Disputes and pending legal actions, other information, commitments and guarantees" to the Consolidated Financial Statements at December 31, 2024 of the TIM Group.

European regulations

Intra-European roaming regulation

The Roaming Regulation 2022/612, which came into force on July 1, 2022, extends the advantages of roaming at national tariffs to European travelers within the European Union (Roam Like At Home) through to 2032 and introduces additional advantages and protection for consumers:

- quality of service: roaming providers shall be obliged to offer the same quality of service in roaming as is available nationally, if the same conditions are available on the network in the destination country;
- better access to and free emergency services;
- greater transparency regarding costs of added-value services;
- greater transparency regarding the costs of roaming on non-terrestrial mobile networks (ships and aircraft).

In addition, a further reduction is envisaged of the wholesale maximums to guarantee sustainability for operators:

		2022	2023	2024	2025	2026	2027
voice	€cent/min	2.2	2.2	2.2	1.9	1.9	1.9
SMS	€cent/SMS	0.4	0.4	0.4	0.3	0.3	0.3
data	€cent/GB	2	1.8	1.55	1.3	1.1	1

The regulation requires the European Commission to assess the measures relating to intra-EU communication (calls and SMSs from one's own country to another Member State) and verify if, and to what extent, the current caps (0.19 euros per minute for calls and 0.06 euros for SMS messages) should be reduced to protect consumers after 2024. A new measure concerning intra-EU communication was inserted into the Gigabit Infrastructure Act extending the application of caps. Surcharges will eventually be abolished for consumers from 2029. By the end of 2024, the Commission should have adopted fair-use rules to allow operators to bring forward the end of voluntary surcharges to 2025. By June 30, 2027, the Commission is to assess the impact of the measure and propose any changes necessary.

2030 Policy Programme "Path to the Digital Decade"

On December 19, 2022, Decision (EU) 2022/2481 of December 14, 2022 was published in the Official Journal of the European Union, instituting the strategic program for the 2030 digital decade. The decision came into force on January 9, 2023.

The decision partly redefines the digital objectives of the Communication from the European Commission COM (2021) 118 final of March 9, 2021 (the "Digital Compass" Communication):

- a digitally skilled population and highly skilled digital professionals with the aim of achieving gender balance: at least 80% of the population with basic digital skills and 20 million ICT specialists employed in the EU;
- secure, resilient, performant, sustainable digital infrastructures: in particular, the aims of Gigabit coverage to the termination point for all end-users of fixed networks and coverage of all inhabited zones with next generation, high-speed wireless networks offering performance at least equivalent to 5G and to install at least 10,000 peripheral nodes with zero climate impact and that are highly secure, distributed in such a way as to guarantee access to low latency data services (a few milliseconds) wherever the enterprises are located;
- digital transformation of businesses: at least 75% of businesses use cloud computing and/or big data and/or artificial intelligence; basic digital intensity level for at least 90% of the SMEs and doubling up of the number of unicorn (innovative) businesses;
- digitalization of public services: 100% of online digital public services; 100% of citizens with access to the electronic health files and digital identity.

The decision also envisages an annual cooperation mechanism with the Member States, which consists of:

- a structured, transparent and shared monitoring system based on the Digital Economy and Society Index (DESI) to measure progress towards each of the 2030 objectives, a system of key performance indicators (KPIs) defined by the Commission on June 30, 2023 through enforcement deed C(2023) 4288 final;
- an annual report on the status of the digital decade, in which the Commission will assess progress and the roadmap of member States, and will recommend actions. The first report was published by the Commission on September 27, 2023 together with Communication C(2023) 7500 final which sets out

expected trends at the level of Union for Digital Objectives). The second report was published on July 2, 2024, with Communication C(2024) 260 final.

State aid for broadband networks

On December 12, 2022, the European Commission adopted the new guidelines on State aid for Broadband networks (Communication C(2022) 9343 final), which revise the previous 2013 guidelines, in particular:

- market failure is redefined for the fixed networks and can now exist where the market is unable to supply and it is unlikely to supply end users with a speed of at least 1 Gbps in download/150 Mbps in upload. In black areas (with at least two fixed networks and at least 100 Mbps), the aid may be authorized if none of the networks present (or credibly planned) reach at least 300 Mbps in download;
- specific guidelines are given for mobile networks, where a market failure can exist in areas where a mobile network is not present or not credibly planned that can satisfy the needs of end users (including for specific use cases). In the event of legal obligations (e.g. connected with rights to use the radio spectrum), aid may be granted to cover only the additional costs linked to improving quality of service;
- guidelines are introduced regarding state aid in support of demand (vouchers) divided up into two categories: social vouchers intended for specific categories of users (e.g. low income) to acquire or maintain a Broadband connection; Internet connectivity vouchers, which may be designed for broader categories of end users to incentivize demand, thereby excluding grants to maintain an existing service.

The Commission also adopted on June 23, 2023 Regulation C(2023) 4278 final amending the General Block Exemption Regulation (Regulation (EU) No 651/2014) which identifies state aid cases which are exempt from notification to the European Commission.

On December 13, 2023, the European Commission adopted two Regulations, in force from January 1, 2024 to December 31, 2030, amending the Regulations to exempt small amounts of aid from EU state aid control, since they do not impact competition and trade in the Single Market:

- De minimis Regulation: The ceiling per company is increased from 200,000 euros (applicable since 2008) to 300,000 euros over three years;
- SGEI de minimis Regulation: The ceiling per company for Services of General Economic interest is increased from 500,000 euros (applicable since 2012) to 750,000 euros over three years.

Both regulations also introduce an obligation for member States to register de minimis aid in a central register set at national or EU level as of January 1, 2026, thereby reducing the reporting obligations for companies.

Digital Services Act (DSA)

On October 27, 2022, the text of the Digital Services Act (or "DSA", Regulation (EU) 2022/2065 of the European Parliament and of the Council of October 19, 2022 on a Single Market For Digital Services. The new Regulation aims to create a harmonized framework on an EU level of the specific obligations of diligence for certain intermediate service supplies, guaranteeing respect for the rights of on-line service users residing in the EU, regardless of the supplier's origin. Most of the provisions came into operation on February 17, 2024.

The addressees of the provision are suppliers of "Intermediate services" ("Mere conduit", "Caching", "Hosting", on-line intermediation platforms and large on-line platforms and search engines with more than 45 million users operating monthly). Different, gradually increasing obligations are envisaged depending on the type and size of the suppliers. The obligations envisaged include, for example, that of guaranteeing specific contact points, internal complaints management systems, any amicable resolution of disputes, preferential management for "reliable reporters", measures against repeated abuse, the traceability and transparent annual reports. Sanctions in the event of breach can be as high as 6% of turnover.

European Accessibility Act (EAA)

In June 2025, the first obligations will come into effect concerning the implementation of Directive (EU) 2019/882 of the European Parliament and of the Council of April 17, 2019, 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).

Network and Information System Directive (NIS2)

The new Directive 2022/2555 (NIS2), which replaces 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 minimum 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.

Cyber Resilience Act (CRA)

The new Regulation (EU) 2024/2847 (Cyber Resilience Act - CRA) came into force on December 10, 2024 and will be applicable from December 11, 2027, with the exception of some measures that will take effect as early as June 11, 2026 or September 11, 2026.

The CRA will improve the level of cybersecurity of digital products, as it introduces proportionate mandatory cybersecurity requirements for all connected products, from baby monitors, smartwatches and computer games, to firewalls and routers. The regulation takes a risk-based approach, with different security requirements associated with different levels of risk. The Commission estimated that less than 10% of products will be subject to the most onerous obligations, which include third-party certifications of conformity.

Once the CRA comes into force, hardware and software manufacturers will have to implement cybersecurity measures for the entire life cycle of the product, from the early stages of design and development, to the placing of the product on the market and for at least 5 years unless the declared lifespan of the product is less. All products placed on the EU market will have to bear the CE marking to ensure their compliance with the CRA.

Data Act

Regulation (EU) 2023/2854 (the Data Act), which introduces harmonized rules on fair access to data and its use, entered into force on January 11, 2024 and will be directly applicable starting from September 12, 2025.

The act covers several areas:

Business to Business

First, it aims to ensure fairness in the allocation of the value of data generated by connected devices among actors in the data economy. The Regulation provides for a shared right in the use of data between the manufacturer and the user of connected devices, allowing the latter to access – without undue delay and free of charge – the data generated by the device and to share such data with third parties to provide after-sales services or other innovative services based on them.

However, the Data Act provides that the circulation of data between companies may require the payment of a reasonable and non-discriminatory price which includes the cost of making it available and the investments made for the collection and production of such data.

The Data Act also recognizes that some data may represent trade secrets, the circulation of which would harm the interests and proprietary rights of companies. The text of the regulation has therefore introduced a series of provisions aimed at protecting this information.

Business to Government

The regulation also aims to promote the use of data held by private companies by public sector bodies in emergency situations, such as health emergencies or serious natural disasters, and in other exceptional cases, where it is not possible to find the data on the market and the lack of such data prevents the public entity from carrying out a specific task of public interest provided for by law. Data sharing in emergency situations must be carried out free of charge, while in the remaining exceptional cases private entities will be entitled to reasonable compensation.

Cloud Services

The regulation introduces interoperability requirements for data processing services – such as cloud or edge computing services – aimed at preventing vendor lock-in phenomena and facilitating the possibility for users to switch to a new supplier.

Furthermore, the Data Act offers specific safeguards to prevent unlawful transfers of non-personal data held by cloud service providers to third countries that conflict with data protection obligations under EU or Member State law.

Artificial Intelligence

The new EU Artificial Intelligence Act (AI Act) came into force on August 2, 2024 and will apply from August 2, 2026. The Act follows a “risk-based” approach, meaning that the higher the level of risk, the greater the responsibilities and limitations for developers and users.

The new legislation aims to promote the development and adoption of secure and reliable AI systems throughout the EU single market by public and private actors. At the same time, it aims to ensure respect for the fundamental rights of EU citizens and to stimulate investment and innovation in artificial intelligence in Europe.

The AI Act classifies different types of artificial intelligence according to risk. The EU will ban 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.

Instead, AI systems that are considered high-risk will be allowed, as long as they meet a number of requirements and obligations for gaining access to the EU market. AI systems that present only a limited risk are subject to very light transparency requirements. The AI Act also addresses the use of generic AI (GPAI) models, whereby all systems are subject to transparency and collaboration requirements, with stricter rules for GPAI systems that pose systemic risks.

In case of violations, the AI Act foresees sanctions of up to 7% of annual global turnover for prohibited systems and up to 3% of annual global turnover for high-risk systems and GPAIs.

Connectivity package

The European Commission has adopted two measures aiming to promote connectivity and, in particular, investments in the new Gigabit and 5G networks in order to help achieve the Digital Compass 2030 objectives.

- **Gigabit Recommendation:** On February 6, 2024, the Recommendation adopted a new Recommendation - C(2024) 523 final - regarding the regulatory approach (obligations lying with the operator with Significant Market Power, including rules for the decommissioning of branch networks) which the national regulatory authorities should apply in analyzing the fixed access markets to promote Gigabit connectivity. The Recommendation revises the 2010 NGA Recommendation and the Recommendation on the 2013 cost methodologies and non-discrimination measures. On May 8, 2024, the EU "Gigabit Infrastructure Act" (GIA) was published in the Official Journal. This "minimum harmonization" regulation which contains measures to simplify and accelerate the deployment of very high capacity fixed and mobile networks (fiber optic and 5G). The Regulation came into force on May 11, repealing Directive 2014/61/EU (transposed in Italy by Legislative Decree 33/2016). Its provisions will apply directly in member states from November 12, 2025 (with some exceptions). The main provisions are as follows:
  - **Symmetrical access to infrastructure**: this obligation is extended to public non-network assets; there is a new obligation for tenants of land to negotiate access to land in good faith; the principle of fairness and reasonableness is better outlined - guidelines could also be adopted by the Commission in this respect;
  - **New building infrastructure and access to infrastructure**: new buildings and buildings undergoing major renovations for which building permit applications are submitted after February 12, 2026, must be equipped with fiber-ready infrastructure and fiber cabling. BEREC is to adopt guidelines by November 12, 2025 regarding access to vertical infrastructure on fair, reasonable and non-discriminatory terms, including with regard to price;
  - **Coordination of civil works**: the obligation for public entities (in addition to private individuals) that perform civil engineering works financed wholly or partially with public resources to accept coordination requests. BEREC must adopt guidelines by November 12, 2025;
  - **Permits to carry out network installation work**: new measures (some of which already in place in Italy) are being introduced to make it easier to obtain permits, including a silent mechanism consent (or, by way of derogation, a conciliation mechanism), digitization of applications and a specification of exemption categories, which are to be further specified by member States;
  - The GIA introduces a measure concerning intra-EU international calls (see previous section on the Roaming Regulation).

  Finally, on February 21, 2024, the European Commission published its "White Paper: How to master Europe's digital infrastructure needs?" (COM(2024) 81 final). This was undergoing public consultation until June 30, 2024. The White Paper presents scenarios and proposals to reform the European regulatory framework in order to support investment in new electronic communication networks (Gigabit and 5G); this should subsequently lead to legislative reforms by the new European institutions.
- **White Paper "How to Master Europe's digital Infrastructure Needs:** in the wake of last year's exploratory consultation on the future of the connectivity sector, the European Commissioner for the Internal Market, T. Breton, has published a white paper in which he analyzes the challenges Europe is facing in implementing networks and presents possible scenarios for attracting investment, fostering innovation, increasing security and creating a true digital single market. This is a policy document that will have to be fleshed out in subsequent legislative acts of the incoming Commission. In particular, it should pave the way for the "Digital Networks Act," a legislative proposal to "redefine the DNA of EU regulation" in TLC matters.

Sustainability

CSRD (Corporate Sustainability Reporting Directive)

Directive (EU) 2022/2464 of the European Parliament and of the Council amends several previous Directives (2013/34/EU, 2004/109/EC, 2006/43/EC, 2014/537/EU) on corporate sustainability reporting. This Directive is an important step in ensuring that European companies actively contribute to sustainability and combatting climate change 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.

CSRD lays down specific reporting requirements for companies:

- Business model and strategy (resilience of the business model and strategy in relation to risks related to sustainability matters, opportunities related to sustainability matters, how the business strategy will be implemented, plans for transitioning to a sustainable economy);
- Goals (time-bound targets related to sustainability matters and progress towards achieving them);
- Management and supervisory bodies (with regard to the bodies' sustainability-related roles and competencies, and incentive schemes linked to ESG matters);
- Policies (the undertaking's policies in relation to sustainability matters);
- Due diligence (due diligence processes with regard to sustainability matters);
- Impacts, Risks and Opportunities (impacts, risks and opportunities related to sustainability matters, actions taken to prevent or mitigate impacts, and ways of managing risks from a Double Materiality perspective: information must be communicated with a dual perspective, i.e. both from the perspective of the impact of the company's activities on people and the environment and from the perspective of the risk or opportunity that such sustainability issues pose to the undertaking itself.

Taxonomy

The Taxonomy, established by EU Regulation 2020/852, sets out a unified classification system for sustainable economic activities in Europe, with the aim of encouraging investments that have environmental and social objectives. It applies not only to financial market participants but also to non-financial companies required to disclose sustainability information under CSRD (Corporate Sustainability Reporting Directive 2022/2464/EU).

The Taxonomy identifies 6 objectives: Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and reduction, Protection and restoration of biodiversity and ecosystems.

For each sector, the Taxonomy also identifies eligible economic activities that could make a substantial contribution to one of the abovementioned 6 objectives, as well as aligned activities capable of meeting all requirements specifically listed for it by the Taxonomy. An activity can only be declared to be effectively aligned with the "Do Not Significant Harm" (DNSH) criteria and the Minimum Safeguards if it meets all of the technical screening criteria.

The telecommunications sector is affected by the taxonomy as it applies to data centers and data-driven solutions (IOT, Artificial Intelligence, etc.). The sector, through industry institutions, is putting forward a request to include infrastructure as an eligible activity, as it is sustainable in itself because it is more energy efficient and enables sustainable digital solutions.

The only obligations required by the Regulation for the year 2021 were to disclose eligible activities and their indicators (turnover, CapEx and OpEx).

Instead, since 2022, it has been necessary to publish both Eligible and Aligned activities with respect to the first two objectives of the Taxonomy (climate mitigation and adaptation) in terms of revenue, CapEx and OpEx, and from 2024 for the remaining four environmental objectives as well.

For more details, please refer to the 2024 TIM Group Sustainability Statement section.

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, in anticipation of TIM's transition from a vertically integrated model to a vertically separated ownership model of FiberCop/NetCo and TIM/ServCo, 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).

Voluntary separation of ownership of TIM's fixed access network

On July 1, 2024, TIM closed the sale of NetCo to KKR through the transfer to FiberCop (previously a 58%-owned subsidiary of TIM) of TIM's fixed network infrastructure and wholesale activities business unit, and the subsequent acquisition by Optics BidCo (an indirect subsidiary of a KKR-managed fund) of the entire share capital of FiberCop. For more details, please refer to the section "Sale of NetCo" section of this Report on Operations.

The regulatory framework set out by resolution no. 114/24/CONS will be reviewed subject to a new market analysis, carried out by AGCOM in Resolution no. 315/24/CONS, following the closing of the NetCo sale transaction. The new market analysis is expected to be completed in the fourth quarter of 2025.

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 new consultation, due to end on February 20, 2024, 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.

On February 20, 2024, TIM sent its own consultation submission.

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.

Voucher Plan

The aim of the Plan, launched on May 5, 2020, with a total allocation of more than 1 billion euros, is to promote and offer incentive for the demand for Ultrabroadband connectivity services (NGA and VHCN) in all areas of the country, in order to increase the number of families and businesses that use digital services with high-speed networks of at least 30 Mbit/s.

Family vouchers

First phase

A first phase of intervention, launched on November 9, 2020, with a budget of 200 million euros, in favor of families with ISEE income of less than 20,000 euros, to whom a contribution of 500 euros is allocated (200 euros for connectivity and 300 euros for tablet or PC on free loan for use), met the need to address, during the early stages of the COVID-19 pandemic, the effects of the health emergency and guarantee suitable connection services to ensure continuity of the families' school and working activities. The first stage ended on November 9, 2021, a year after it started, as per the implementing decree. This measure has proven to be not much of an incentive: of the entire amount set aside of 200 million euros, no more than 93 million euros have been assigned. 210,000 bonuses were assigned against an availability of 400,000.

Second phase

On April 27, 2022, Infratel launched a public consultation before starting a second phase of dispensing vouchers to families.

Total resources of 407,470,769 euros have been allocated for the intervention.

The aim of the intervention is to promote and offer incentive for the demand for Ultrabroadband connectivity services (NGA and VHCN) in all areas of the country, in order to increase the number of families that use digital services with high-speed networks of at least 30 Mbit/s.

The consultation expired on May 31, 2022.

On March 22, 2023 Infratel launched a consultation supplementary to the one concluded in May 2022, expiring on April 22, 2023, in order to acquire opinions and observations regarding the following intervention proposals:

- intervention in favor of families, without ISEE limitations and without an active data contract on the fixed broadband and ultrabroadband network;
- provision of a voucher equal to 300 euros, to incentivize subscriptions for at least 300Mbps in the form of a discount on the activation price (where present) and on the amount of service delivery fees for a period of up to 24 months, and includes the supply of related electronic equipment (CPE);

- exclusion of families who have already benefited from the connectivity voucher during phase 1, intended for less well-off families;
- provision of an additional contribution equal to a maximum of 130 euros to cover costs relating to civil works that may be incurred within one's private property in order to prepare it for the passage of the necessary infrastructure.

To integrate the observations collected during the previous consultations, carried out in the months of April-May 2022 and March-April 2023, Infratel launched, on December 11, 2023, a new public consultation regarding the second phase of the " Voucher Plan for 'incentivizing families' demand for ultrabroadband connectivity'. The consultation expired on January 11, 2024.

The new intervention proposal, in favor of families, includes:

- the provision of a voucher equal to 100 euros in the form of a discount on the activation price (where present) and on the amount of the service delivery fees, including the supply of the relevant electronic devices (CPE), for a period of up to 24 months;
- the activation of a subscription with at least 300 Mbit/s download;
- the portability of the voucher at any time in the event of a change of subscription in order to avoid any form of lock-in on contracts.

The subjects who will be able to access the voucher are families who:

- do not have any connectivity service or have not had a connection in the last 6 months;
- have a service with download speeds of less than 30 Mbit/s.

There are currently no plans to start the second phase of dispensing vouchers to families.

Company vouchers

The intervention offering incentive to companies, approved by the European Commission last December 15, 2021, was launched on March 1, 2022 and aims to facilitate the development of ultrafast internet connections for companies and the digitization of the production system.

Net of the amount attributed to communication costs and expenses accompanying the measures and the reimbursement of direct and indirect costs linked to the activity, the amount set aside for the disbursement of the vouchers is approximately 590 million euros.

Beneficiaries can request just one voucher to guarantee an increase in connection speed, from 30 Mbit/s to more than 1 Gbit/s, varying from a minimum of 300 euros to a maximum of 2,500 euros, according to the guaranteed download speed and contract term (from 18 to 24 months).

The Voucher Plan for businesses had an initial deadline of December 15, 2022, which was then extended to December 31, 2023.

The extension had been requested by the Italian government from the European Commission, considering that there was still more than 430 million euros available and also taking into account the May 2022 extension of the beneficiaries to also include professionals (natural persons with a VAT number operating an intellectual profession, self-employed or associated).

On March 22, 2023 Infratel launched a consultation regarding the "Voucher Plan to incentivize business connectivity demand - Application Services" which expired on April 22, 2023 in order to acquire opinions and observations regarding the following intervention proposals:

- intervention in favor of micro, small and medium-sized enterprises, as well as natural persons with a VAT number who exercise, on their own or in an associated form, an intellectual profession pursuant to article 2229 of the Italian Civil Code, or one of the unorganized professions referred to Law of January 14, 2013, no. 4;
- provision of a voucher of variable value, for the activation of application services in the 5G, Cloud, Cyber Security, Big Data, Artificial Intelligence, Blockchain, drones fields, to support the activities of the beneficiaries;
- Companies or professionals who already have a contract with at least 30 Mbps download speed will be able to request the voucher contribution.

At the scheduled deadline, TIM sent its contribution. The results of this consultation have not yet been published.

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.

New Regulation containing provisions to protect end users regarding contracts relating to the provision of electronic communications services

On January 3, 2024 AGCOM published resolution no. 307/23/CONS containing provisions for the protection of end users regarding contracts relating to the provision of electronic communications services, which repeals resolution no. 519/15/CONS. The measures entered into force six months after publication.

The new regulation regulates the pre-contractual and contractual phases and the termination of the contract, applying to all contracts regardless of the time of stipulation with the exception of what is provided for termination costs in the event of withdrawal, which applies only to contracts concluded after the January 3, 2024.

The regulation applies to consumers as well as for various provisions also to micro-enterprises, small businesses and non-profit organizations.

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

Premium Services

In February 2021, with resolution no. 10/21/CONS, AGCOM adopted new measures related to the implementation of digital services with contents in subscription from mobile network. In particular, default barring has been envisaged on the SIMs, namely an inhibition to purchase these services, which can be removed by prior express decision of the customer, and a customer consent acquisition process for individual purchases, through the entry of a temporary password (an "OTP"). This resolution has been appealed against by TIM before the Regional Administrative Court.

With resolution no. 91/22/CONS AGCOM sanctioned TIM for failure to comply with resolution no. 10/21/CONS relating to "carrier billing" subscription services, both TIM brands on its own platform and available on third-party platforms, ordering it at the same time to implement the procedure for acquiring proof of consent from the customer in the case of purchases of TIM brand digital services. This resolution has been appealed against by TIM before the regional administrative court on additional grounds.

In February 2023, the Lazio Regional Administrative Court on the one hand partially canceled resolution no. 91/22/CONS, noting that it was unlawful in the part relating to the definition of the sanction, which will now be redetermined by the Authority and, on the other hand, rejecting the main appeal against resolution no. 10/21/CONS.

The Company appealed to the Council of State in May 2023.

In December 2023, with resolution no. 306/23/CONS, AGCOM accepted the measures implemented by TIM for the purposes of compliance with the Order referred to in resolution no. 91/22/CONS.

In March 2024, with resolution no. 44/24/CONS, the Authority re-quantified the sanction imposed in resolution no. 91/22/CONS, in implementation of the aforementioned decision of the Lazio Regional Administrative Court.

In November 2024, the Council of State rejected the appeal against AGCOM Resolution 10/21/CONS.

Parental Control Services

With resolution no. 9/23/CONS, AGCOM has defined specific "Guidelines on systems for the protection of minors from the risks of cyberspace" in implementation of article 7-bis of the legislative decree of April 30, 2020, no. 28, the effects of which came into force from November 2023.

In extreme summary, these Guidelines provide that the parental control system is pre-activated on the offers dedicated/subscribed by the minor, offered "on request" for the other offers (both fixed and mobile) and always free for the end customer.

On the same topic, in October 2023, with legislative decree of September 15, 2023, no. 123 (so-called Caivano Decree), coordinated with the conversion Law of November 13, 2023, no. 159, new obligations have been introduced for terminal manufacturers, who will have to place devices with parental control systems on the market by September 2024. While waiting for manufacturers to make parental control services available, electronic communications service providers ensure the availability of parental control applications.

The same rule placed further information obligations on both device manufacturers and electronic communications service providers on the possibility and importance of installing parental control applications.

Quality of Services

Quality of services included in the Universal Service

The new Electronic Communications Code (introduced by Legislative Decree no. 207/2021, which came into force on December 24, 2021) abrogated Art. 61 of the previous Code, which established a fixing mechanism, with resolutions passed by AGCOM of annual targets for the Quality of the Universal Service that TIM was required to assure as failure to do so would lead to the payment of administrative fines.

The new Code also included Broadband Internet access in the universal service. In this respect, in resolution no. 309/23/CONS published on December 14, 2023, AGCOM defined the broadband internet service level necessary to ensure that all citizens participate in social and economic life. As far as the Universal Service is concerned, internet access should have a nominal download speed of 20 Mbps.

This connection speed was defined taking into account national circumstances, the quality and technical requirements necessary to support at least the minimum set of services specifically listed in Annex 5 to the Code, as well as the operators' observations acquired as part of the preliminary investigation procedure.

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 electronic communication services from a fixed location

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.

Quality of customer assistance service in the electronic communications sector and audiovisual media services

The Communications Guarantee Authority, in Resolution no. 255/24/CONS of July 10, 2024, after a lengthy preliminary process, concluded the proceedings aimed at regulating customer service 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 provisions of the Regulation must be implemented by Operators within 12 months of its publication on the AGCOM website on August 8, 2024; Meanwhile, the regulatory framework set out in Resolution No. 79/09/CSP continues to apply.

The new framework aims to ensure:

- Maximum access to customer assistance services;
- Transparency and traceability of complaint handling procedures;
- Quality of customer assistance services.

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

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.

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 the interests of ensuring pluralism, freedom of expression, cultural diversity and accuracy of information for the widest possible audience, audiovisual and radio media services of general public interest provided through any medium used by the audiences to receive or access them must be given adequate prominence, regardless of the platform on which those services are provided. The Authority issues guidelines setting out the criteria for an audiovisual or radio media service to qualify as a service of general public interest. In those same guidelines, the Authority also define the methods and criteria to be complied with by producers of equipment suitable for receiving radio and television signals, providers of indexing, aggregation or retrieval of audiovisual or sound content, or providers determining the manner in which services are presented on user interfaces. With Resolution 390/24/CONS, AGCOM published its SIG Guidelines in which it disapplied the rules for the TIMVISION service. While TIM is not (currently) directly impacted, TIM has nevertheless considered participating in the Permanent Technical Round Table on Prominence established by AGCOM on December 5, 2024.

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. The measures must be implemented within 12 months of the Technical Round Table completing its work (i.e., by June 7, 2025) and must also apply to devices already on the market which are still in production chains.

New TUSMA - Regulations to protect pluralism

At the end of the public consultation triggered by resolution no. 94/23/CONS, the Authority adopted resolution no. 6/24/CONS setting out guidelines to define the specific methodology for verifying the existence of positions of significant market power that are detrimental to pluralism, as referred to in Article 51(5) of the TUSMA, thus bringing an end to procedure initiated under resolution no. 72/22/CONS. Based on these guidelines, the Authority's board must ascertain whether a position of significant market power that is detrimental to pluralism exists and, if so, must decide how this should be promptly rectified.

In resolution no/ 97/24/CONS, AGCOM commenced the proceedings and public consultation regarding the identification of the individual markets that make up the integrated communications system. TIM took part in the consultation by submitting a contribution in June regarding its market of interest ("Market for linear and nonlinear, pay audiovisual media services of national dimension").

With Resolution 502/24/CONS, AGCOM concluded the proceedings to ascertain the economic value of the Integrated Communications System (Sistema Integrato delle Comunicazioni, SIC) for the year 2022: the top twelve groups operating in the economic areas that make up the SIC jointly account for 69% of the SIC, while the remaining 31% of total revenues is represented by a broad range of market players each with shares of less than 1%. The share attributed to TIM (in 12th position) is 1%. No entity active in the SIC earned revenues exceeding 20% of the total value.

New TUSMA - Digital and media literacy

For the purposes of performing the specific statutory responsibilities involved in monitoring the state of digital and media literacy in Italy assigned by the legislature (Article 4, paragraph 4, of TUSMA), AGCOM launched a coordinating round table with stakeholders in December 2024 to facilitate the collection and cataloging of the main measures, initiatives and *best practices*. TIM is a participant at the round table.

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 2024, AGCOM put out for consultation (Resolution 247/24/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.

TIM and some other leading mobile operators have argued that the solution for ensuring market sustainability and the development of networks and services is 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 share payments.

Utilities have argued the need to introduce protective tools to ensure the continuity of IoT services, such as by reserving a share of frequencies for smart metering services.

New benefits for disabled consumers

With Resolution no. 290/21/CONS, the Italian Communications Authority (AGCom) defined the new regulation for users with disabilities.

This resolution extends the current beneficiaries of electronic communication services, extending the special tariffs of fixed and mobile network services, currently only granted to the blind and deaf, to also include disabled users with major limitations to walking. To this end, an experimental phase of application of the measures is envisaged, expected to last twelve months, but which may be extended, to obtain information about the new beneficiaries and the effectiveness of the measures adopted. The new beneficiaries could submit requests to adhere within a 90-day time frame running from January 1 to April 1, 2022, with benefits set to start on Saturday, April 30, 2022.

During 2023, AGCOM decided to open a new experimental phase until June 2024 and subsequently extended the right to the concession also to offers dedicated to minors.

TIM, which has always paid close attention to the needs of disabled users, decided in both 2022 and 2023 to apply the benefits to disabled users with serious limitations in walking ability beyond the regulatory dictate.

In Resolution 281/24/CONS, the Authority resolved to extend the facilities provided for the deaf and blind to people with severe walking limitations.

It was also established that, in order to monitor facilities performance as referred to in Resolution no. 290/21/CONS as amended, operators should report to the Authority, by January 30 of each year, the number of facilities in place as of December 31 of the previous year, broken down by type of service – fixed and mobile – and by disability category.

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 at least one operator. The verification of mobile coverage will be carried out by TIM during the decommissioning phase and cases of systems not covered will be reported to AGCOM, which will be able to suspend the decommissioning while waiting to identify the appropriate solutions. In all other cases, TIM can proceed after posting a specific sign at least 30 days before the scheduled date for decommissioning the system. TIM will have to send a half-yearly report on disused roadside telephone booths.

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.

Measures for simplification and digital innovation

- **Decree-Law no. 60/2024 (the “Cohesion Decree-Law”)**, as converted with modifications by Law no. 95/2024, introduced **simplification measures for the actions under the Italy 5G Plan of the National Recovery and Resilience Plan (NRRP)**. **In particular, in order to implement new and suitable network infrastructure with at least a 150 Mbit/s downlink speed and a 30 Mbit/s uplink speed, the systems located in the “white areas” under the Italy 5G Plan are to be positionally arranged according to the pixels shown in the nationwide mobile networks map, even by derogation from municipal regulations if necessary, as provided for in the calls for tender. Decree-Law no. 19/2024**, converted to statute by Law no. 56/2024**(the “NRPP Decree-Law 4”)**, introduced (Art. 21) the possibility for the Italian Mint and Polygraphic Institute (Istituto Poligrafico e Zecca dello Stato - IPZ) to make use of public service concessionaires, or their subsidiaries, in order to carry out pilot programs to define models for **paperless**

operations and the digitization of related processes. Under **Decree-Law no. 113/2024**, converted into statute by Law no. 143/2024**(the "Omnibus Decree-Law") increased the number of entities (including TIM)** that IPZ can engage to carry out its activities aimed at paper-free operation (Art. 10 c. 13bis).

- **Budget Law 2025** (Law no. 207/2024). **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.
- **Draft Decree-Law containing "measures to recognize and promote mountain areas."** Currently before Parliament (as a Draft Decree-Law, this would be passed over the medium-to-long term). The original text would have imposed charges on mobile phone and digital connection infrastructure operators to ensure the continuity of their services on the road and rail networks serving mountain villages. Once laid out before Parliament, the provisions were changed by allowing road and rail network operators and concessionaires the possibility to **enter into specific agreements** with the aim of regulating fees, conditions and procedures for the construction and operation of facilities. Therefore, while the reference to possible charges on mobile and digital connection infrastructure operators remains, the rule leaves ample room for interpretation.
- **Draft laws on the organization and operation of** Call Centers. Currently before Parliament (as a Draft Decree-Law, this would be passed over the medium-to-long term). This aims to strengthen consumer protection, including data protection, and to protect industry workers by introducing measures to combat aggressive telemarketing, labor costs for call center activity, and spoofing.
- **Draft Decree Law on "public safety measures".** Currently before Parliament (as a Draft Decree-Law, this would be passed over the medium-to-long term). The legislation would introduces **new identification requirements for new mobile SIM activations of customers from non-EU states**, who must provide a copy of their residence permit.

New Electronic Communications Code

Italian Legislative Decree no. 207 of November 8, 2021 setting out the "Implementation of Directive (EU) 2018/1972 of the European Parliament and of the Council of December 11, 2018, establishing the European Electronic Communications Code, was published in the Official Journal on December 9, 2021 and came into force on December 24, 2021.

The new Code reviews and replaces the previous regulatory framework and introduces important new features including, in particular, the following:

- **to foster the copper-fiber migration of customers**: the user must allow operators to perform technological adaptation works on the access networks, aimed at improving the connection (without changes to the economic conditions);
- **contract duration**: provide for an initial contract duration of no more than 24 months and introduce at least one commercial offer of a maximum initial duration of 12 months;
- **sanctions**: far more severe, particularly as concerns violations of user protection;
- **right of withdrawal in the event of *ius variandi***: extension of the deadline to exercise the right of withdrawal (60 days from communication of the contractual changes instead of 30 days);
- **right of withdrawal**: it is stressed that the provisions of Art. 1 of Decree Law 7/2007 (Bersani Decree Law) remain in place but the deactivation cost should be eliminated in the event of termination/withdrawal after contract expiry (12/24 months) and the faculty is introduced for the customer to return the network terminal equipment before the agreed contract end date, at no extra cost;
- **Universal Service:** inclusion of the service to access Broadband Internet with a bandwidth that enables the inclusion of all citizens in the country's social and economic life (Art. 94). AGCOM currently has proceedings in progress aimed at defining the adequate bandwidth. A review is envisaged of the existing obligations, by the Minister, by December 21, 2022 and thereafter every 3 years (Art. 97). In particular, the Code draws a distinction between coverage obligations and obligations relating to the supply of services.

The Ministry for Business and Made in Italy, in order to obtain market orientation on the application of the new sector legislation, one year after the entry into force of the Legislative Decree in question, launched a review on May 12, 2023. market consultation, aimed at market operators in electronic communications networks and services, closed on June 15, 2023, on the corrective measures to Legislative Decree of November 8, 2021, no. 207.

Following the market consultation, on December 18, 2023 the Council of Ministers approved, in preliminary examination, a **legislative decree which introduces corrective provisions to the Legislative Decree of November 8, 2021, no. 207**.

This legislative decree was finally approved on April 13, 2024, the date of its publication in the Official Gazette, and came into effect on April 28 (Legislative Decree no. 48/2024).

The measure aims to meet the cross-cutting objectives of (i) simplifying the implementation of electronic communication infrastructure and (ii) adapting to technological innovation. The main changes introduced include:

- **Customer identification/SPID.** For customer identification in cases of new activation and number portability or SIM change, digital identity systems are equivalent to identity documents for all legal purposes.
- **Legal Restrictions on ownership/Mobile Network**. The possibility for operators to access the common

areas of buildings has also been extended for mobile network development activities. This is with a view to installing, connecting and maintaining network elements, cables, wires, cable distributions or similar equipment that does not emit radiofrequency radiation.

- **Prohibition of limitations on installations by Regions/Bodies**. Regions and local authorities do not limit the possibility of installation to particular areas of the territory, without prejudice to the specific provisions for the protection of areas of particular historical-landscape or environmental value or protection from exposure to electromagnetic fields of sensitive areas, having, in which case, still ensure an alternative location that ensures the same effect.
- **Installation of systems/Forms**. The description of the installed system, to be sent to the Municipalities, must be carried out on the basis of the forms prepared by the local authority, where absent on the basis of specific attachments indicated.
- **Authorization procedures**. Infrastructure installation requests must be made through an online platform, using forms prepared by local governments. If there is no online platform or forms for that purpose, requests can be sent by certified email.
- **Self-certification**. Installations and modifications to the transmission characteristics of systems with a maximum power at the antenna connector less than or equal to 10 watts and with a radiating surface size not exceeding 0.5 square meters are subject to self-certification of activation.
- **General authorization for electronic communications networks and services**. A new annex has been introduced for the reporting for the transfer of the general authorization for the offer to the public of electronic communications networks and services. This report replaces the SCIA (Segnalazione certificata di inizio attività).
- **Definitions**
  - ***access point***: defined as "network device that allows access to a variable number of users between a LAN radio network and an electronic communications network";
  - **indirect unique identification of the user**. It is carried out by acquiring the technical identity previously validated and registered by other public entities or operators of a public utility service;
  - **electronic communication system**: set of network devices that includes the equipment and infrastructure necessary for the transmission, reception and processing of electronic signals and that allows communication between individuals or devices;
  - ***call center***: service specifically organized for managing multi-channel contacts and communication between end users and specialist staff or automated answering mechanisms under a contractual arrangement between the managing entity and a telecommunications operator.
- **EMF limits**. With the electromagnetic field exposure limits being raised (from 6 V/m to 15 V/m) in May 2024, the principle of equitable electromagnetic spectrum allocation was introduced to define the power to be allocated to operators.
- Sanctions. the sanctioning system remains virtually unchanged. It is specified that the turnover achieved in the electronic communications market (instead of the market to which the non-compliance relates) will be taken into account in determining the amount of sanctions. In addition, sanctions in violation of article 98-*decies* can also be imposed on parties who are not suppliers of electronic communications networks and services (from 50,000 euros to 1 million euros).
- **Geographic mapping of network installations and connectivity service offerings**:
  - the geographical mapping of the coverage of networks capable of providing broadband by the Ministry and AGCOM has been postponed to December 21, 2024;
  - the mapping must also report the degree of use of the networks;
  - the information released by companies on network installation plans has the nature of binding declarations and implies the obligation to report on the state of implementation of the network installation plans subject to the declaration;
  - *designated areas:* the Ministry may designate areas in which it has ascertained that no company or public authority has installed or intends to install a network that guarantees performance equal to a download speed of at least 300 Mbps (currently 100 Mbps);
  - *mapping data:* Mapping data must also be made available to regional and local authorities in open, standardized and interoperable formats, and through the Digital National Data Platform (PDND).

Increase in energy prices

Decree of the Ministry of Environment and Energy Security (DM MASE) dated November 28, 2024.

In implementation of Article 3 paragraph 2 of Decree-Law 131/2023 (enabling the Ministry of Environment and Energy Security to extend the State aid scheme to sectors or subsectors that are not included among the energy-intensive sectors listed Annex 1 of the EC Guidelines with a view to supporting companies facing high energy costs and at risk of relocation), the Ministry published **Decree no. 61/2024** setting out the terms and procedures for companies operating in sectors not included in the EC Guidelines to submit State aid proposals. The sector or sub-sector must be at risk or high risk of being forced to relocate due to high energy costs that could lead them to relocate outside the EU to areas where there is no environmental regulation or offering other energy intensity based incentives. The falling are eligible to submit a proposal:

- **companies that use at least 1 GWh of electricity a year** (Art. 3 para 1 of the Decree-Law) and operate in one of the sectors or subsectors not included in the EC Guidelines
- trade associations representing sectors or subsectors not included in the EC Guidelines.

Annual Market and Competition Law

- **The 2022 Law (Law no. 214/2023)** entered into force on December 31, 2023. This implemented the following changes:
  - **Adjusted the electromagnetic exposure limits,** which are now set to:
    - 15 V/m in respect of electric field intensity E;
    - 0.039 A/m in respect of magnetic field intensity H;
    - 0.59 W/m^2 in respect of power density.
  - **Dedicated offers**. During the legislative process to convert the decree-law into law, an amendment was passed, stipulating that providers of electronic communications networks or services could not make dedicated offers based on the operator they belong to. The amendment bill was amended by restricting this prohibition on dedicated offers merely to the use of information acquired through databases for mobile number portability.
- **The 2023 Law (L. no. 193/2024)** entered into force on December 18, 2024. Also with regard to dedicated offers, a provision has been introduced to merely update the Mobile Number Portability Regulation, with no negative impact on the way such offers are proposed.

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

- **Law no. 93/2023 (the "Anti-Piracy Law").** Under this piece of legislation, an automated technology platform will be implemented to handle requests for the obscuration of infringing content.
- **AGCOM** with **Resolution no. 321/23/CONS** defined the technical and operational requirements for the operation of the single technological platform with automated operation. The platform has been officially active since February 1, 2024.
- **Decree-Law no. 113/2024**, converted by Law 143/2024,**(**the **"Omnibus Decree-Law"**). This makes provision 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.

Revision of the Consolidated Law on Audiovisual Media Services (TUSMA)

On March 20, 2024, the Council of Ministers finally approved Legislative Decree no. 50 of March 25, 2024 containing provisions supplementing and correcting 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. This decree, known as the TUSMA Corrective Decree, was published in the Official Gazette no. 90 of April 17, 2024.

The Corrective Decree came into effect on May 2, 2024.

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%;
- **obligations on the programming of 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.

In Resolution 412/24/CONS, AGCOM launched a public consultation on amendments to the Regulation on Programming and Investment Obligations concerning European Union and Independent Works, as set forth in Resolution no. 424/22/CONS in light of the changes introduced by Legislative Decree no. 50 of March 25, 2024. TIM took part in the consultation; the procedure is ongoing.

Brazil

Revision of the model for the supply of telecommunications services

In 2019, Law 13,879 was approved, that came into force on October 4, 2019, establishing a new regulatory environment for the regulation of telecommunications in Brazil. This is the most significant change in the past 20 years.

The new telecommunications legislation allows fixed-line licensees to adapt their contracts from a concession scheme to an authorization scheme. This transition from concession to authorization must be requested by the licensee and requires the approval of the Anatel ("Agencia Nacional de Telecomunicações"). In return, licensees must, among other conditions, make a commitment to investment in expanding fixed Broadband telephony services to areas with no adequate competition for these services, in order to minimize inadequacies and inequalities between areas of Brazil.

The change also affects the roles for authorizing the use of radio frequencies, establishing subsequent renewals (previously limited to only one) and allows the exchange of radio frequencies between operators (secondary spectrum market).

In June 2020, Decree no. 10,402 was published, which governs the procedure for adapting the concession to the authorization regime, as well as the definition of the criteria for calculating investment commitments. The decree also established guidelines for the extension of radio frequency authorization, which will be held by Anatel to guarantee greater security for investments in the sector.

Public policies applicable to the telecommunications sector

Decree 9,612/2018 ("Connectivity Plan") established another series of important rules, with a series of guidelines for the adaptation of terms of performance, the onerous concession of spectrum authorization and regulatory acts ingeneral, including: (i) expansion of high capacity telecommunications transport networks; (ii) increased coverage of mobile Broadband access networks; and (iii) broadening the coverage of fixed Broadband access network in areas with no Internet access through this type of infrastructure. The Decree also establishes that the network resulting from these commitments must be shared from the moment it enters into operation, except where there is adequate competition in the relevant reference market.

In relation to the deadlines for the development of pipelines not compliant with current regulations, authorizations for user licenses to radio frequencies, and the introduction of other statutory provisions generally, planned investments will focus primarily on the modernization of fixed-line and mobile Broadband networks and on specific areas of the country. Telecommunications networks made under the investment plan will have shared access. The decree was amended by Decree 10.799/2021, containing government priorities for coverage of "districts with public schools," coverage of population centers not served by mobile telephony, and the expansion of fixed broadband access in locations that did not have access. The decree was amended by Decree 11,299/2022, which envisaged the possibility of a private federal network managed exclusively by Telebras (Brazilian state company).

The decree also provides for the assignment of funds for the approval of projects approved by Connected Cities and for the temporary supply of fixed or mobile Broadband. In addition, it regulates the private federal network, which can be carried out by other public or private entities or organizations and the criteria for the use and management of the network will be defined by the Federal Government under the terms established in a deed of the State Ministry for Communications.

In 2020, Decree no. 10,480/2020 was published by the federal government, which regulates the antennas law (Law no. 13,116/2015) with the aim of encouraging the development of the telecommunications network infrastructure. This Decree fosters development of telecom network infrastructure and is a major step towards eliminating some historical problems in the sector preventing its development (e.g. free right of way on highways and railways, positive silence, small cells and "dig once").

That same year, Law 14,109/2020 authorized the use of FUST ("*Fundo de Universalização dos Serviços de Telecomunicação*"), including by the private sector, to expand connectivity in rural or urban areas with a low human development Index (HDI) as well as policies for education and tech innovation of services in rural areas. In June 15, 2021, Provisional Measure 1,018/2020 was converted into Law 14,173/2021, which reduced charges for satellite internet terrestrial stations and amended some of the FUST rules of application. The law reduces FUST collection between 2022 and 2026, to telecommunications operators that run universalization programs approved by the Anatel Board of Directors, with resources from the operators themselves. The benefit will be valid for five years from January 1, 2022 and will be progressive: 10% in the first year; 25% in the second year; 40% in the third year; and 50% from the fourth year onwards. In addition, the new legislation removes the obligation to share towers within a distance of less than 500 meters from each other. The elimination of this obligation is essential for the deployment of 5G in Brazil, including to ensure the densification scenario expected for the new technology.

In the first quarter of 2022, the Federal Government signed Decree no. 11,004/2022, which governs the use of FUST and sets directions for the use of resources by the Board of Directors, instituted in June 2022. At the beginning of July, the internal regulations of the Fust Management Board were published and a budget for 2023 was proposed for digital inclusion. During the second half of 2022, in its resolution 02/2022, the Board of Directors set out further details on the mechanisms for using the FUST, clarifying the role of the financial agent, the accountability mechanism and the Anatel function in the application of the reduction of the contribution in the waiver mechanism. The Board also unveiled connectivity programs for public elementary schools and projects to expand connectivity and grants for low-income users.

In 2023, Decree 11,856/2023 was published, defining the National Cyber Security Policy (PNCIBER) and setting out guidelines on cyber security in Brazil. This Decree also establishes the National Committee for Information Security.

Over the years, Anatel has issued several resolutions imposing obligations on the telecommunications industry; these include the RQUAL (*Regulamento de Qualidade dos Serviços de Telecomunicações*) and the new RGC *(Regulamento Geral de Direitos do Consumidor de Serviços de Telecomunicações*). In 2024, Anatel initiated a revision of the PGMC (Plano Geral de Metas da Competição) and the RUE (Regulamento de Uso do Espectro Radioelétrico), two of the most significant regulations applying to the telecommunications sector. Final approval is expected by the second half of 2025.

We also recently monitored and participated in the public consultations conducted by Brazil's National Electricity Agency (*Agência Nacional de Energia Elétrica* - ANEEL) on issues relating to infrastructure (pole) sharing and distributed generation. The results of the public consultations are expected in 2025.

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*. Regarding the Quality Mark, in November 2023 the Agency announced the temporary and partial suspension of the Reference Values Documentand the Quality Marks Document for the years 2022 and 2023, and granted a period of 120 days to submit a new proposal for the method and parameters to establish Quality Marks.

In December 2024, following an industry-wide discussion, the Board of Directors approved an update to the Reference Values Document (*Documento de Valores de Referência - DVR*) in a manner that diverged from the industry's requests, prompting operators to file administrative appeals.

Review of the General Regulation on Consumer Rights (RGC)

In November 2023 Anatel published Resolution 765/2023, the New General Regulation on Consumer Rights (*Regulamento Geral de Direitos do Consumidor de Serviços de Telecomunicações* - 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 as regards the general rules and within fifteen months as regards 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 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 interim measure was converted into Law no. 14,460/22.

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 and Guidelines on the Use of Biometrics and Facial Recognition.

COMPETITION

Domestic

The market

During 2023, the Italian telecommunications (TLC) market showed a slight recovery in revenue growth (+0.8% YoY), driven by increased revenues from fixed network services (+4.4% YoY), while the declines for mobile network services declined (-4.1% YoY)[1].

This market remains highly competitive, with a telecommunications price index decreasing year on year for the past decade, which continued in 2023 (-1.5% YoY) despite the simultaneous growth of the general consumer price index (+0.5% YoY), which was nonetheless down on the past two years[2].

In 2024, the Italian telecommunications sector saw significant developments in both the fixed and mobile segments. In the fixed market, growth was driven by ICT services for businesses, while the *consumer* segment continued to experience significant competitive pressures.

In terms of connectivity, the development of broadband and ultrabroadband continues to be the main element of the evolution of the market, favoring the progressive increase in traffic carried by the networks, both for fixed lines (+16.7% year-on-year increase in total fixed network traffic in the first nine months of 2024) and for mobile (+16.0% year-on-year increase in overall daily traffic in the mobile network in the first nine months of 2024).

In 2024, the major OTTs generating traffic on traditional telecommunications networks – such as Google (YouTube), Meta (Facebook, Instagram, WhatsApp), Netflix, Amazon (Prime Video), and Microsoft (Teams, Xbox) – had an increased impact on the industry. These market players have benefited from increased demand for video services, online gaming, and collaboration applications, significantly increasing the volume of data transported. OTTs have focused on advanced technologies to improve their service quality, such as by enhancing 4K/8K streaming and adopting edge computing solutions to reduce latency.

However, this has exacerbated the gap with traditional operators, which continue to incur the infrastructure costs needed to support the huge amount of traffic.

This scenario has reinvigorated debate about the need for regulation for OTTs to pay their fair share of network costs. The European Commission has launched a series of initiatives to consider regulatory interventions, while operators are calling for swift action to balance the economic sustainability of the sector.

With regards to the current positioning of the telecommunications operators in convergent markets, certain trends are seen, already mentioned above with different levels of evolution:

- the development of new services in the sector of media and entertainment (TV, Music, Gaming) and new digital services (smart home, digital advertising, mobile payment-digital identity);
- the development of innovative services in the IT market, particularly Cloud, IoT and Cybersecurity services.

A major structural change came in Swisscom's acquisition of Vodafone Italia, which brought together the business of Fastweb and Vodafone to create an integrated operator capable of offering converged solutions across all market segments. This deal has raised antitrust concerns, leading AGCM to impose specific remedies to protect competition. This has particularly been the case in wholesale fixed-line communication services in terms of the provision of services to third-party operators, as well as for business customers in terms the information-sharing in public tenders currently underway between Fastweb and Vodafone Italia on the one hand and Public Administration on the other.

Competition in the fixed telecommunications sector

The fixed-line telecommunications market has continued to see a downturn in access and voice revenues, while Broadband and Ultrabroadband revenues have shown growth. In recent years, service providers have concentrated mainly on expanding the penetration of Broadband and Ultrabroadband services by introducing bundled voice, Broadband and service deals in a highly competitive environment with consequent pricing pressure.

The retail market continues to progressively increase the level of competition, with the HHI concentration index decreasing year on year.

In September 2024, total Fixed Access was 20.25 million and was substantially stable on a quarterly basis (+0.01% QoQ) and up slightly by 65 thousand on an annual basis (+0.3% YoY). TIM is the leading operator with a market share of 38.0%, down by -1.9 percentage points YoY; Vodafone follows with a slightly decreased 15.5% market share (-0.3% YoY). WindTre has a market share of 14.4% (+0.2 percentage points YoY) while Fastweb has a market share of 13.1% (-0.4 percentage points YoY). Sky has a market share of 3.6% (+0.6 percentage points YoY[3]).

After a long period of uninterrupted growth in broadband access, and after a period of stability in 2023, the first three quarters of 2024 showed signs of growth recovery. In September 2024, broadband accesses amounted to 19.20 million, which was up slightly both on a quarterly basis by 38 thousand units (+0.2% QoQ) and on an annual basis by -217 thousand units (+1.15% YoY)[4].

On an annual basis, accesses in FTTH technology were on the increase in the third quarter of 2024 (5.53 million, +27.0% YoY) and FWA (2.30 million, +10.5% YoY) while accesses in FTTC technology were on the decrease (9.30 million, -6.7% YoY) and ADSL (-549 thousand, -21.5%).

[1] Source: AGCOM "2024 Annual Report" (2023 data).
[2] Source: AGCOM "2024 Annual Report" (2023 data).
[3] Source: AGCOM observatory 3rd quarter 2024.
[4] Source: AGCOM observatory 3rd quarter 2024.

In 2024, TIM sold access infrastructure and its wholesale business to Optics BidCo, a subsidiary of KKR, leading to the creation of FiberCop, a new market player exclusively active exclusively in the wholesale market and focused on accelerating infrastructure development.

In November 2024, AGCom announced precautionary measures suspending the replicability obligations of TIM's retail offering[5], leaving more flexibility in the implementation of its fixed services.

The merger of Vodafone and Fastweb, both of which are active in fixed line services, will increase market concentration and could help alleviate competition pressures.

Competition in the mobile telecommunications sector

In the mobile market, Machine to Machine (M2M) SIMs continued to grow, while Human SIMs remained stable during the first nine months of 2024.

In the third quarter of 2024, total mobile lines (Human+ M2M) amounted to 109.0 million with an annual growth of +0.5 million (+0.5% YoY): M2M lines are growing, reaching 30.4 million, +0.7 million YoY (+2.5%), while Human lines are equal to 78.6 million for a decrease of -221 thousand lines YoY (-0.3%). Compared to the previous quarter, Human lines remained essentially stable, growing by +44 thousand lines (+0.06%).

The competitive scenario of the Italian mobile telecommunications market in 2024 continues to be characterized by an aggressive offer from the operator Iliad in terms of price and volume of data, followed by those of the virtual operators (MVNO), resulting in general pressure on market prices. The operator Iliad and the virtual operators in general continue to win over customers and, consequently, market share, to the detriment of other infrastructure operators, mainly those with the highest market share.

In the third quarter of 2024, TIM was market share leader of the total mobile market (Human + M2M) with a share of 27.1% (-0.8 percentage points YoY), followed by Vodafone with a market share of 26.4% (-0.8 percentage points YoY) and by WindTre with a market share of 23.7% (stable YoY).

Considering only the Human lines, WindTre is the leader with a market share of 24.0% but down by -0.7 percentage points YoY; followed by TIM with a market share of 23.5% down by -0.7 percentage points YoY and Vodafone with a market share of 21.0% down by -0.9 percentage points YoY, Iliad reaches a share of 14.6% up +1.3 percentage points YoY.

In 2024, the competition on 5G continued with the simultaneous presence of TIM, Vodafone, Wind Tre, Iliad and Fastweb for mobile offering and a progressive coverage of the main cities. The spread of 5G has also begun in the business segment, enabling specialized solutions for the vertical markets, even if the spread of these services in this segment has not yet taken off.

The merger of Vodafone and Fastweb, both of which are active in 5G services, will increase market concentration and could help alleviate competition pressures.

Brazil

The economy changed significantly during 2024. GDP grew more than estimated, with the latest official data showing an increase of 3.5%; The population's average income also increased; and the unemployment rate reached 6.1%, the lowest level on record (November 2024). By contrast, indicators such as inflation, interest rates and exchange rates deteriorated significantly in 2024. The most recent official inflation figures show a rate of 4.8% for 2024 and a projection of 5.0% for 2025. The downward trend in interest rates was reversed in the second half of the year, ending the year at 12.25% with estimates of substantial increases in 2025. Against this backdrop, there has been a withdrawal of foreign investment from Brazil, which has impacted the exchange rate of the Brazilian real. The Ibovespa capital market index also fell by more than 10% during 2024. The number of defaulting adults has steadily increased to more than 45% of the total population, which, added to rising inflation, could burden the economic prospects of households in the near future.

On the political front, the government is in stalemate with respect to the debates with Congress on structural reforms. The government fiscal measures announced by the Ministry of Economy in December 2024 have not lived up to the expectations of the financial markets, and the forecast remains uncertain for 2025. The consumption tax reform has yet to be finalized, with some provisions currently being considered by Congress.

The forecast for the coming years is subject to some uncertainty because of these factors, with a gradual stabilization currently predicted: economic growth is expected to slow to 2%, with interest rates expected to rise to 14.75% before resuming a downward trend, providing a less attractive environment for foreign investment growth. Uncertainty about the state of public accounts and the economy may affect consumption and increase pressures on operating and financing costs. Despite this scenario, government investment in infrastructure and positive trends in sectors such as agriculture could be areas of opportunity for 2025.

The new Brazilian government has maintained financial support for people with lower incomes and sought to increase the minimum wage, which, together with a decrease in the unemployment rate, is supporting consumption, including that of telecommunications services.

The mobile telecommunications sector is still in a period of competitive rationalization (after the recent market consolidation), with service providers remaining focused on making increasingly attractive offerings to consumers, not only in terms of price but also in terms of additional services, such as through partnerships with companies that provide content streaming and video services in other vertical sectors, such as financial services, education, healthcare and energy supply. The great challenge consists of increasingly involving customers, offering an easier-to-use, more fluid end-to-end experience with all-digital integration solutions in order to reduce the churn rate and seek to monetize the customer base. Over the past three years, the mobile telephony market has grown at a rate significantly above inflation, but there are challenges ahead if it is to continue this trend.

[5] AGCOM "Resolution No.406/24/CONS" of October 23, 2024, published on November 6, 2024.

In 2024, the post-paid mobile customer base exceeded 50% of the total mobile market for the first time. In December, the post-paid mobile segment recorded an increase in the customer base of 8.3% on an annual basis, thanks above all to the post-paid ex-M2M segment (+8.0 million year-on-year) but also due to the post-paid M2M segment (+4.3 million year-on-year). This market will likely continue to be affected by migration from pre-paid to hybrid "Control" segments. This growth is supported by offer segmentation strategies, through the introduction of distinctive characteristics in the use of data services (e.g. unlimited use of data on specific apps such as WhatsApp, Facebook, Twitter, Netflix, etc.) in pursuing a "More for More" policy logic that aims to guarantee a greater stability of prices and an effective repositioning of the customer base on higher value offers (voice+data+bundle with OTT content).

As of December 2024, the customer base decreased by 4.9% year-on-year in the pre-paid segment. This may be a consequence of the economic environment, as well as the high level of migration from pre-paid to post-paid. The main aim of market operators was to increase the percentage use of services, leveraging the SIM card consolidation process in progress on the market, encouraging migration towards weekly (and monthly) or hybrid (Control and post-paid) plans, offering a range of service bundles according to the needs of customers (unlimited voice calls or data packages). This strategy aims to improve the customer base mix, as well as ensuring greater stability (and reduced churn rate) and ARPU growth.

Service quality remains a difference-maker. Telecommunication suppliers that have invested more heavily in the development of 4G and 5G networks (coverage and capacity) and in the improvement of processes shaping customer experiences will have a higher possibility of being able to apply premium prices because customers increase their expectations and assign greater importance to the quality of data services and higher value content. All major mobile operators already provide 4G coverage to more than 97% of Brazil's population (as of November 2024) and already provide 5G coverage to over 58% of the population, with the top three operators offering availability of more than 95% on average (according to the January 2025 Open Signal report) with consistently service quality rates of more than 60% (according to the September 2024 Open Signal report). TIM is a leader in both availability and consistent quality.

2024 was a year dedicated to continuing the growing trend in 5G coverage and customer base. As of November 2024, 5G coverage exceeded 840 cities and the customer base reached 38.1 million (14.5% of the market). Operators' goal is to be able to increase mobile ARPU due to the consumption of new services enabled by 5G (e.g.: latency-based rates, additional features such as entertainment packages). The 5G is also expected to bring new applications for B2B segment in various industries over the coming years.

As of October 2024, the fixed broadband market grew by about 10% year-on-year. The growth was mainly from ISPs (+4.5 million year-on-year in October 2024, accounting for about 90% of the total market growth of 5.0 million), which tend to offer cheaper services and reach areas where traditional operators have limited infrastructure. This *trend* led to an increase in the number of regional market players and the first signs of consolidation in a highly fragmented market (the total number of official ISPs decreased in 2024 but remains above 8,000). The market dynamic was one of mergers and acquisitions of smaller ISPs by larger ISPs; M&A deals between larger ISPs (as already seen between Vero and Americanet) are expected in the future. The population penetration rate has already reached approximately 70% of the 73 million families and a phase of maturity has begun, but there are margins for medium-term growth when compared to many other countries.

In this growing, highly competitive market, TIM has adopted a business strategy to selectively expand coverage by targeting profitable growth, offering broadband Internet services (mainly through FTTH), and focusing on reducing friction points to improve retention. As of December 2024, TIM had a customer base of about 800,000 users. The company pursues profitable and selective growth through an asset-light model in which fiber assets are spun off to limit exposure to a market with lower rates of return.

There is also competition from other services outside the telecommunications sector, such as global and local OTT providers, who offer internet-based content and services, including voice calls and messaging, without paying for network infrastructure. OTT applications have become so important to customers that in many cases they are offered by mobile operators as free services. OTT communications applications have a business model that requires growth in network traffic, but it is telcos that must finance and make the network infrastructure investments needed to handle the increased internet traffic generated by OTT applications.

CONSOLIDATED FINANCIAL POSITION AND CASH FLOWS PERFORMANCE

Non-current assets

- **Goodwill**: the item decreased by 8,140 million euros, from 19,170 million euros as of December 31, 2023 to 11,030 million euros as of December 31, 2024 mainly due to:
  - the allocation of part of the Goodwill attributed to the Cash Generating Unit Domestic to NetCo, which was sold on July 1, 2024 (7,920 million). For further details regarding the NetCo transaction, please refer to the Note "Discontinued Operations/Non-current Assets Held for Sale" in the TIM Group's consolidated financial statements as of December 31, 2024;
  - Goodwill impairment loss attributed to the Telecom Italia Sparkle group (CGU Domestic) for 52 million euros;
  - the negative exchange rate differences (172 million euros) relating to the goodwill attributed to the Brazil Cash Generating Unit.
- **Intangible assets with a finite useful life**: these fell by 1,111 million euros, from 7,122 million euros at the end of 2023 to 6,011 million euros at December 31, 2024, representing the balance of:
  - CapEx (+855 million euros);
  - amortization charge for the year (-1,419 million euros);
  - a net negative balance of 547 million euros related to other changes including the effects of the NetCo transaction, other divestitures, foreign exchange differences (negative 371 million euros and essentially related to the Brazil Business Unit) and other movements.
- **Tangible assets**: these fell by 10,132 million euros, from 14,692 million euros at the end of 2023 to 4,560 million euros at December 31, 2024, representing the balance of:
  - CapEx (+1,194 million euros);
  - amortization charge for the year (-1,194 million euros);
  - a net negative balance of 10,132 million euros related to other changes including the effects of the NetCo transaction, other divestitures, foreign exchange differences (negative 392 million euros and essentially related to the Brazil Business Unit) and other movements.
- **Rights of use assets** (mainly comprise rights of use on real estate leases, network connectivity and telecommunications infrastructure): these fell by 2,048 million euros, from 5,515 million euros at the end of 2023 to 3,467 million euros at December 31, 2024, representing the balance of:
  - investments (+80 million euros) and increases in lease contracts (+720 million euros); In particular, 507 million euros of those increases relate to the Brazil Business Unit and 213 million euros to the Domestic Business Unit;
  - amortization charge for the year (-576 million euros);
  - a net negative balance of 2,272 million euros related to other changes including the effects of the NetCo transaction, other divestitures, foreign exchange differences (negative 322 million euros and essentially related to the Brazil Business Unit) and other movements.

Consolidated equity

As of December 31, 2024, consolidated equity amounted to 13,361 million euros (17,513 million euros as of December 31, 2023), of which 11,957 million euros were attributable to the Shareholders of the Parent Company (13,646 million euros as of December 31, 2023) and 1,404 million euros were attributable to minority interests (3,867 million euros as of December 31, 2023). In greater detail, the changes in consolidated equity were the following:

(million euros)	12/31/2024	12/31/2023
At the beginning of the year	**17,513**	**18,725**
Total comprehensive income (loss) for the year	(1,091)	(1,035)
Dividends approved by:	(158)	(197)
TIM S.p.A.	—	—
Other Group companies	*(158)*	*(197)*
NetCo deconsolidation	(2,283)	—
Equity instruments	—	2
Other changes	(620)	18
At the end of the year	**13,361**	**17,513**

Cash flows

Adjusted net financial debt at December 31, 2024 was equal to 10,126 million euros (25,656 million euros as of December 31, 2023).

The Group's **Operating Free Cash Flow (OFCF, calculated by applying IFRS 16)** in 2024 was positive and amounted to 2,559 million euros (+3,238 million euros in 2023).

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)	2024 (a)	2023 (b)	Change (a-b)
EBITDA	4,825	4,645	180
Capital expenditures on an accrual basis	(2,129)	(2,168)	39
Change in net operating working capital:	(34)	1,121	(1,155)
Change in inventories	*(23)*	*(11)*	*(12)*
Change in trade receivables and other net receivables	*138*	*(5)*	*143*
Change in trade payables	*120*	*73*	*47*
Change in payables for mobile telephone licenses/spectrum	*(24)*	*(48)*	*24*
Other changes in operating receivables/payables	*(245)*	*1,112*	*(1,357)*
Change in employee benefits	(12)	(264)	252
Change in operating provisions and Other changes	(91)	(96)	5
Net Operating Free Cash Flow	**2,559**	**3,238**	*(679)*
% of Revenues	*17.7*	*22.6*	*(4.9)pp*
Cash flows from sales of investments and other disposals	280	3	277
Share capital increases/reimbursements including incidental expenses	—	—	—
Financial investments	(46)	(33)	(13)
Dividends payment	(159)	(273)	114
Increases in lease contracts	(720)	(664)	(56)
Finance expenses, income taxes and other net non-operating requirements flow	(406)	(792)	386
Impact on NFP of NetCo sale	15,321	—	15,321
Reduction/(Increase) in adjusted net financial debt from continuing operations	**16,829**	**1,479**	**15,350**
Reduction/(Increase) in net financial debt from Discontinued operations/ Non-current assets held for sale	(1,299)	(1,771)	472
Reduction/(Increase) in adjusted net financial debt	**15,530**	**(292)**	**15,822**

Equity Free Cash Flow (calculated by applying IFRS 16) in 2024 amounted to +243 million euros (+763 million euros in 2023). 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)	2024	2023	Change
Reduction/(Increase) in adjusted net financial debt	**15,530**	**(292)**	**15,822**
Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))	77	785	(708)
Payment of TLC licenses and for the use of frequencies	24	48	(24)
Financial impact of acquisitions and/or disposals of investments	(15,547)	33	(15,580)
Dividend payment and Change in Equity	159	189	(30)
Equity Free Cash Flow	**243**	**763**	**(520)**

In addition to what has already been described with reference to EBITDA, the change in adjusted net financial debt for 2024 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 (NetCo Discontinued Operations) for 2024, were 2,129 million euros (2,168 million euros in 2023).

CapEx is broken down as follows by operating segment:

(million euros)	2024	% weight	2023	% weight	Change
Domestic	1,349	63.4	1,334	61.5	15
Brazil	780	36.6	834	38.5	(54)
Other Operations	—	—	—	—	—
Adjustments and eliminations	—	—	—	—	—
Consolidated Total	**2,129**	**100.0**	**2,168**	**100.0**	**(39)**
% of Revenues	*14.7*		*15.1*		*(0.4)pp*

Specifically:

- the **Domestic Business Unit (NetCo Discontinued Operations - Domestic ServCo)** shows capital expenditures of 1,349 million euros, with a significant share aimed at Mobile and IT infrastructure development. The investment trend reflects the increase in TIM Enterprise projects (Consip, PSN, Cloud) driven by the increased focus on ICT revenues;
- the **Brazil Business Unit** posted capital expenditures in 2024 of 780 million euros (834 million euros for 2023). Excluding the impact of changes in exchange rates (-61 million euros), investments increased by 7 million euros on 2023. The slight increase is related to investments in Information Technology

Change in net operating working capital

In 2024, TIM Group's NetCo Discontinued Operations (NetCo) Operating Working Capital showed a decrease of 34 million euros (+1,121 million euros in 2023) mainly attributable to a decrease in other operating receivables and payables of 245 million euros partially offset by an increase in trade payables and receivables.

Financial investments

In 2024, the TIM Group's Financial Investments (NetCo Discontinued Operations) were 46 million euros (33 million euros in 2023). In detail they mainly include:

- the contribution of the Brazil Business Unit in the investment fund, focused on 5G solutions, Upload Ventures Growth;
- the underwriting of the recapitalization of the company Polo Strategico Nazionale S.p.A.;
- the contribution by the Domestic Business Unit into the UV T-Growth investment fund.

Increases in lease contracts

In 2024, the item came to 720 million euros (664 million euros in 2023) 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 2024, the flow has a negative balance for a total of 406 million euros (negative for 792 million euros in 2023). 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.

Impact on NFP resulting from the NetCo transaction

The item includes the improvement in adjusted net financial debt related to the sale of NetCo, amounting to 15,321 million euros. More details can be found in the "Net Financial Debt" section below.

Sales of receivables to factoring companies

It should be noted that sales without recourse of trade receivables to factoring companies completed during 2024 resulted in a positive effect on the adjusted net financial debt at December 31, 2024 amounting to 1,134 million euros (1,135 million euros at December 31, 2023).

Net financial debt

Net financial debt is composed as follows:

(million euros)	12/31/2024 (a)	12/31/2023 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	7,527	15,297	(7,770)
Amounts due to banks, other financial payables and liabilities	1,201	5,987	(4,786)
Non-current financial liabilities for lease contracts	2,421	4,743	(2,322)
	11,149	**26,027**	**(14,878)**
Current financial liabilities (*)			
Bonds	2,401	3,266	(865)
Amounts due to banks, other financial payables and liabilities	1,469	2,505	(1,036)
Current financial liabilities for lease contracts	523	838	(315)
	4,393	**6,609**	**(2,216)**
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale	—	—	—
Total Gross financial debt	**15,542**	**32,636**	**(17,094)**
Non-current financial assets			
Securities other than investments	—	—	—
Non-current financial receivables arising from lease contracts	(40)	(112)	72
Financial receivables and other non-current financial assets	(646)	(1,103)	457
	(686)	**(1,215)**	**529**
Current financial assets			
Securities other than investments	(1,539)	(1,882)	343
Current financial receivables arising from lease contracts	(44)	(162)	118
Financial receivables and other current financial assets	(112)	(689)	577
Cash and cash equivalents	(2,924)	(2,912)	(12)
	(4,619)	**(5,645)**	**1,026**
Financial assets relating to Discontinued operations/Non-current assets held for sale	—	—	—
Total financial assets	**(5,305)**	**(6,860)**	**1,555**
Net financial debt carrying amount	**10,237**	**25,776**	**(15,539)**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(111)*	*(120)*	*9*
Adjusted Net Financial Debt	**10,126**	**25,656**	**(15,530)**
Breakdown as follows:			
Total adjusted gross financial debt	**15,189**	**32,001**	**(16,812)**
Total adjusted financial assets	**(5,063)**	**(6,345)**	**1,282**
(*) of which current portion of medium/long-term debt:			
Bonds	*2,401*	*3,266*	*(865)*
Amounts due to banks, other financial payables and liabilities	*991*	*1,166*	*(175)*
Current financial liabilities for lease contracts	*474*	*786*	*(312)*

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.

Adjusted net financial debt (including IFRS 16 net debt) amounted to 10,126 million euros at December 31, 2024, a decrease of 15,530 million euros compared to December 31, 2023 (25,656 million euros). This reduction is mainly due to the NetCo divestment deal finalized on July 1, 2024, which resulted in a deleverage of 15.3 billion euros (including: 5.5 billion euros bond transfer to the buyer, 4.2 billion euros closing consideration collection, 3.7 billion euros deconsolidation of Fibercop's net financial position, and 2 billion euros deconsolidation of net financial debt for leases recorded in application of IFRS 16, compounded by the positive dynamics of operating-financial management.

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)	12/31/2024 (a)	12/31/2023 (b)	Change (a-b)
Net financial debt carrying amount	**10,237**	**25,776**	**(15,539)**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(111)*	*(120)*	*9*
Adjusted Net Financial Debt	**10,126**	**25,656**	**(15,530)**
Leases	*(2,860)*	*(5,307)*	*2,447*
Adjusted Net Financial Debt - After Lease	**7,266**	**20,349**	**(13,083)**

Net financial debt carrying amount amounted to 10,237 million euros at December 31, 2024, a decrease of 15,539 million euros compared to December 31, 2023 (25,776 million euros). The reversal of the fair value measurement of derivatives and related financial liabilities/assets saw a positive change of 9 million euros due to the dynamics of the interest rate markets and the liquidation of a substantial portion of the derivatives portfolio, with a corresponding reduction in underlying financial liabilities, following the transfer of the bonds of TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. to Optics BidCo S.A.; this valuation adjusts the booked Net Financial Debt with no monetary effect.

Adjusted Net Financial Debt – After Lease (net of lease contracts) was equal to 7,266 million euros at December 31, 2024, down by 13,083 million euros compared to December 31, 2023 (20,349 million euros).

In the fourth quarter of 2024, adjusted net financial debt decreased by 777 million euros compared to September 30, 2024 (10,903 million euros).

(million euros)	12/31/2024 (a)	9/30/2024 (b)	Change (a-b)
Net financial debt carrying amount	**10,237**	**10,904**	**(667)**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(111)*	*(1)*	*(110)*
Adjusted Net Financial Debt	**10,126**	**10,903**	**(777)**
Leases	*(2,860)*	*(2,915)*	*55*
Adjusted Net Financial Debt - After Lease	**7,266**	**7,988**	**(722)**

Gross financial debt

Bonds

Bonds at December 31, 2024 totaled 9,928 million euros (18,563 million euros at December 31, 2023). Repayments totaled a nominal 9,625 million euros (18,046 million euros at December 31, 2023).

The change in bonds during 2024 was as follows:

(millions in original currency)	Currency	Amount	Repayment date
Repayments			
Telecom Italia S.p.A. 450 million euros 3.625%	Euro	450	1/19/2024
Telecom Italia S.p.A. 950 million euros 4.000%	Euro	950	4/11/2024
Telecom Italia S.p.A. 1,500 million USD 5.303%	USD	1,500	5/30/2024
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	7/25/2024
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	10/25/2024

In April 2024, TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A made an Offer to Exchange Existing EUR and USD denominated Notes for New Notes to Bondholders in preparation for the Netco transaction. Exchange operations concluded in May 2024.

The new bonds have substantially the same terms as the corresponding series of original bonds, including in terms of their maturity, interest rate, interest payment dates and restrictive covenants.

The table below summarizes the Notes still with the TIM Group and those subsequently transferred to Optics on July 1, 2024:

Currency	Nominal value of original notes	Coupon	Maturity date	Original notes TIM Group (nominal value)	New Notes transferred to Optics (nominal value)
Bonds issued by TIM S.p.A.					
Euro	750,000,000	2.875%	1/28/26	375,000,000	375,000,000
Euro	1,000,000,000	3.625%	5/25/26	677,997,000	322,003,000
Euro	1,250,000,000	2.375%	10/12/27	742,285,000	507,715,000
Euro	1,250,000,000	6.875%	2/15/28	625,000,000	625,000,000
Euro	1,500,000,000	7.875%	7/31/28	750,000,000	750,000,000
Euro	1,000,000,000	1.625%	1/18/29	499,180,000	500,820,000
Euro	670,000,000	5.250%	3/17/55	440,000,000	230,000,000
Bonds issued by Telecom Italia Finance S.A.					
Euro	1,015,000,000	7.750%	1/24/33	655,858,000	359,142,000
Bonds issued by Telecom Italia Capital S.A.					
USD	1,000,000,000	6.375%	11/15/33	499,994,000	500,006,000
USD	1,000,000,000	6.000%	9/30/34	499,999,000	500,001,000
USD	1,000,000,000	7.200%	7/18/36	500,000,000	500,000,000
USD	1,000,000,000	7.721%	6/4/38	499,996,000	500,004,000

Revolving Credit Facility

The following table shows committed credit lines[(*)] available at December 31, 2024:

(billions of euros)	12/31/2024		12/31/2023	
	Agreed	Drawn down	Agreed	Drawn down
Sustainability-linked RCF – May 2026	4.0	—	4.0	—
Total	**4.0**	—	**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).

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 6.75 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%, while the average cost of the Group's debt "After Lease" was equal to 5.5%.

Current financial assets and liquidity margin

As of December 31, 2024, the TIM Group's available **liquidity margin** was equal to 8,364 million euros and calculated considering:

- "Cash and cash equivalents" and "Current securities other than investments" for a total of 4,364 million euros (4,695 million euros at December 31, 2023), also including 199 million euros in repurchase agreements expiring by January 2025;
- Sustainability-linked Revolving Credit Facility amounting to 4,000 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 36 months.

For the purposes of determining the available liquidity margin, the "BTPs July 15, 2028" held by Telecom Italia Finance S.A. and subject to a securities lending agreement with TIM S.p.A. signed on October 18, 2023 were not considered; in particular, of the total nominal 131 million euros of securities subject to the loan, a part corresponding from time to time to a market value of 99 million euros was pledged by TIM S.p.A. on October 25, 2023 against a guarantee bank issued on the same date by MPS in favor of INPS, in support of the application of Art. 4 of Law no. 92 of June 28, 2012.

Specifically:

Cash and cash equivalents amounted to 2,924 million euros (2,912 million euros at December 31, 2023).

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 1,539 million euros (1,882 million euros at December 31, 2023): These forms of investment represent alternatives to the investment of liquidity with the aim of improving returns. They included a total of 568 million euros of Italian and foreign treasury bonds held by Telecom Italia Finance S.A., 548 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 423 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 (NetCo Discontinued Operations).

Separate Consolidated Income Statements

(million euros)	2024	2023	Changes (a-b)	
	(a)	(b)	assolute	%
Revenues	**14,442**	**14,311**	**131**	**0.9**
Other income	233	141	92	65.2
Total operating revenues and other income	**14,675**	**14,452**	**223**	**1.5**
Acquisition of goods and services	(8,017)	(7,445)	(572)	(7.7)
Employee benefits expenses	(1,478)	(1,950)	472	24.2
Other operating expenses	(662)	(772)	110	14.2
Change in inventories	10	26	(16)	(61.5)
Internally generated assets	297	334	(37)	(11.1)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**4,825**	**4,645**	**180**	**3.9**
Depreciation and amortization	(3,189)	(3,292)	103	3.1
Gains (losses) on disposals of non-current assets	3	(11)	14	—
Impairment reversals (losses) on non-current assets	(94)	—	(94)	—
Operating profit (loss) (EBIT)	**1,545**	**1,342**	**203**	**15.1**
Share of losses (profits) of associates and joint ventures accounted for using the equity method	(20)	(29)	9	31.0
Other income (expenses) from investments	75	53	22	41.5
Finance income	1,044	1,235	(191)	(15.5)
Finance expenses	(2,387)	(2,639)	252	9.5
Profit (loss) before tax from continuing operations	**257**	**(38)**	**295**	**—**
Income tax expense	(174)	(56)	(118)	—
Profit (loss) from continuing operations	**83**	**(94)**	**177**	**—**
Profit (loss) from Discontinued operations / Non current assets held for sale	(447)	(1,013)	566	55.9
Profit (loss) for the year	**(364)**	**(1,107)**	**743**	**67.1**
Attributable to:				
Owners of the Parent	**(610)**	**(1,441)**	**831**	**57.7**
Non-controlling interests	246	334	(88)	(26.3)

Consolidated Statements of Comprehensive Income

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

(million euros)		2024	2023
Profit (loss) for the year	(a)	(364)	(1,107)
Other components of the Consolidated Statement of Comprehensive Income			
Other items that will not be subsequently reclassified in the Consolidated Statement of Comprehensive Income			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		9	3
Income tax effect		—	—
	(b)	9	3
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		13	(8)
Income tax effect		—	—
	(c)	13	(8)
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)	22	(5)
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		10	43
Loss (profit) transferred to Separate Consolidated Income Statement		(3)	(9)
Income tax effect		—	(1)
	(f)	7	33
Hedging instruments:			
Profit (loss) from fair value adjustments		(127)	(382)
Loss (profit) transferred to Separate Consolidated Income Statement		132	192
Income tax effect		(1)	45
	(g)	4	(145)
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations		(760)	189
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(h)	(760)	189
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)	(749)	77
Total other components of the Consolidated Statements of Comprehensive Income	(m=e+k)	(727)	72
Total comprehensive income (loss) for the year	(a+m)	(1,091)	(1,035)
Attributable to:			
Owners of the Parent		(1,057)	(1,432)
Non-controlling interests		(34)	397

Consolidated Statements of Financial Position

(million euros)		12/31/2024 (a)	12/31/2023 (b)	Variations (a-b)
Assets				
Non-current assets				
Intangible assets				
Goodwill		11,030	19,170	(8,140)
Intangible assets with a finite useful life		6,011	7,122	(1,111)
		17,041	**26,292**	**(9,251)**
Tangible assets				
Property, plant and equipment owned		**4,560**	**14,692**	**(10,132)**
Rights of use assets		**3,467**	**5,515**	**(2,048)**
Other non-current assets				
Investments in associates and joint ventures accounted for using the equity method		265	537	(272)
Other investments		150	140	10
Non-current financial receivables arising from lease contracts		40	112	(72)
Other non-current financial assets		646	1,103	(457)
assets		1,795	2,187	(392)
Deferred tax assets		513	701	(188)
		3,409	**4,780**	**(1,371)**
Total Non-current assets	**(a)**	**28,477**	**51,279**	**(22,802)**
Current assets				
Inventories		297	345	(48)
current assets		4,146	4,699	(553)
Current income tax receivables		124	191	(67)
Current financial assets				
Current financial receivables arising from lease contracts		*44*	*162*	*(118)*
Securities other than investments, other financial receivables and other current financial assets		*1,651*	*2,571*	*(920)*
Cash and cash equivalents		*2,924*	*2,912*	*12*
		4,619	5,645	(1,026)
Current assets sub-total		**9,186**	**10,880**	**(1,694)**
Discontinued operations /Non-current assets held for sale				
of a financial nature		—	—	—
of a non-financial nature		—	—	—
		—	**—**	**—**
Total Current assets	**(b)**	**9,186**	**10,880**	**(1,694)**
Total Assets	**(a+b)**	**37,663**	**62,159**	**(24,496)**

(million euros)		12/31/2024 (a)	12/31/2023 (b)	Variations (a-b)
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent		11,957	13,646	(1,689)
Non-controlling interests		1,404	3,867	(2,463)
Total Equity	**(c)**	**13,361**	**17,513**	**(4,152)**
Non-current liabilities				
Non-current financial liabilities for financing contracts and others		8,728	21,284	(12,556)
Non-current financial liabilities for lease contracts		2,421	4,743	(2,322)
Employee benefits		200	511	(311)
Deferred tax liabilities		61	83	(22)
Provisions		485	679	(194)
liabilities		896	1,326	(430)
Total Non-current liabilities	**(d)**	**12,791**	**28,626**	**(15,835)**
Current liabilities				
Current financial liabilities for financing contracts and others		3,870	5,771	(1,901)
Current financial liabilities for lease contracts		523	838	(315)
current liabilities		7,074	9,384	(2,310)
Current income tax payables		44	27	17
Current liabilities sub-total		**11,511**	**16,020**	**(4,509)**
Liabilities directly associated with Discontinued operations/Non-current assets held for sale				
of a financial nature		—	—	—
of a non-financial nature		—	—	—
		—	**—**	**—**
Total Current Liabilities	**(e)**	**11,511**	**16,020**	**(4,509)**
Total Liabilities	**(f=d+e)**	**24,302**	**44,646**	**(20,344)**
Total Equity and Liabilities	**(c+f)**	**37,663**	**62,159**	**(24,496)**

Consolidated Statements of Cash Flows

(million euros)		2024	2023
Cash flows from operating activities:			
Profit (loss) from continuing operations		83	(94)
Adjustments for:			
Depreciation and amortization		3,189	3,292
Impairment losses (reversals) on non-current assets including investments		94	(6)
Net change in deferred tax assets and liabilities		82	154
Losses (gains) realized on disposals of non-current assets (including investments)		(73)	(35)
Share of losses (profits) of associates and joint ventures accounted for using the equity method		20	29
Change in employee benefits		(12)	(264)
Change in inventories		(23)	(11)
Change in trade receivables and other net receivables		138	(5)
Change in trade payables		(80)	28
Net change in income tax receivables/payables		72	(12)
Net change in miscellaneous receivables/payables and other assets/liabilities		(239)	417
Cash flows from (used in) operating activities	**(a)**	**3,251**	**3,493**
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(1,954)	(2,172)
Contributions for plants received		7	759
Acquisition of control of companies or other businesses, net of cash acquired		(4)	19
Acquisitions/disposals of other investments		(34)	(49)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1)	2,897	(1,382)
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of		4,169	—
Proceeds from sale/repayments of intangible, tangible and other non-current assets		280	3
Cash flows from (used in) investing activities	**(b)**	**5,361**	**(2,822)**
Cash flows from financing activities:			
Change in current financial liabilities and other		(862)	241
Proceeds from non-current financial liabilities (including current portion)		1,886	4,037
Repayments of non-current financial liabilities (including current portion)		(8,431)	(4,308)
Changes in hedging and non-hedging derivatives		319	68
Share capital proceeds/reimbursements (including subsidiaries)		—	—
Dividends paid		(159)	(273)
Changes in ownership interests in subsidiaries		(8)	(6)
Cash flows from (used in) financing activities	**(c)**	**(7,255)**	**(241)**
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	**(d)**	**(1,244)**	**(1,091)**
Aggregate cash flows	**(e=a+b+c+d)**	**113**	**(661)**
Net cash and cash equivalents at beginning of the year	**(f)**	**2,912**	**3,555**
Net foreign exchange differences on net cash and cash equivalents	**(g)**	(101)	18
Net cash and cash equivalents at end of the year	**(h=e+f+g)**	**2,924**	**2,912**

(1) This item includes investments in marketable securities amounting to 2,295 million euros in 2024 (2,342 million euros in 2023) and redemptions of marketable securities amounting to 2,673 million euros in 2024(1,995 million euros in 2023), relating to TIM S.A. and Telecom Italia Finance S.A..

Purchases of intangible, tangible and rights of use assets

(million euros)	2024	2023
Purchase of intangible assets	(855)	(838)
Purchase of tangible assets	(1,194)	(1,278)
Purchase of right of use assets	(800)	(716)
Total purchases of intangible, tangible and rights of use assets on a cash basis	(2,849)	(2,832)
Change in payables arising from purchase of intangible, tangible and rights of use assets	895	660
Total purchases of intangible, tangible and rights of use assets on a cash basis	(1,954)	(2,172)

Additional Cash Flow information

(million euros)	2024	2023
Income taxes (paid) received	(30)	(71)
Interest expense paid	(1,839)	(1,931)
Interest income received	553	718
Dividends received	19	20

Analysis of Net Cash and Cash Equivalents

(million euros)	2024	2023
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	2,912	3,555
Bank overdrafts repayable on demand	—	—
	2,912	**3,555**
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	2,924	2,912
Bank overdrafts repayable on demand	—	—
	2,924	**2,912**

The additional disclosures required by IAS 7 are provided in the Note “Net Financial Debt” to the TIM Group Consolidated Financial Statements at December 31, 2024.

Other information

Average salaried workforce

(equivalent number)	2024	2023	Change
Average salaried workforce – Italy	14,756	15,936	(1,180)
Average salaried workforce – Outside Italy	8,996	9,162	(166)
Total average salaried workforce	**23,752**	**25,098**	**(1,346)**
Discontinued Operations - NetCo	9,089	18,047	(8,958)
Total average salaried workforce - including Discontinued Operations [1]	**32,841**	**43,145**	**(10,304)**

(1) Includes personnel on temporary employment contracts: 18 average salaried staff in Italy in the year 2024; 31 average salaried staff in Italy in the year 2023.

Headcount at year end

(number)	12/31/2024	12/31/2023	Change
Headcount – Italy	17,521	37,670	(20,149)
Headcount – Outside Italy	9,366	9,510	(144)
Total headcount at year end [1]	**26,887**	**47,180**	**(20,293)**

(1) Includes agency contract workers: 63 in Italy as of December 31, 2024. 31 employees in Italy at 12.31.2023.

Headcount at year end – Breakdown by Business Unit

(number)	12/31/2024	12/31/2023	Change
Domestic	17,751	37,901	(20,150)
Brazil	9,123	9,267	(144)
Other Operations	13	12	1
Total	**26,887**	**47,180**	**(20,293)**

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)	4th Quarter 2024	4th Quarter 2023	Changes		2024	2023	Changes	
			absolute	%			absolute	%
Like-for-like ORGANIC EBITDA	1,089	1,017	72	7.1	4,339	4,006	333	8.3
Lease payments	(162)	(153)	(9)	(5.9)	(667)	(670)	3	0.4
Like-for-like EBITDA After Lease (EBITDA-AL)	927	864	63	7.3	3,672	3,336	336	10.1

LIKE-FOR-LIKE EBITDA AFTER LEASE - DOMESTIC

(million euros)	4th Quarter 2024	4th Quarter 2023	Changes		2024	2023	Changes	
			absolute	%			absolute	%
Like-for-like ORGANIC EBITDA	558	516	42	8.1	2,190	2,023	167	8.3
Lease payments	(43)	(44)	1	2.3	(176)	(166)	(10)	(6.0)
Like-for-like EBITDA After Lease (EBITDA-AL)	515	472	43	9.0	2,014	1,857	157	8.5

EBITDA AFTER LEASE - BRAZIL

(million euros)	4th Quarter 2024	4th Quarter 2023	Changes		2024	2023	Changes	
			absolute	%			absolute	%
ORGANIC EBITDA excluding non-recurring items	533	503	30	6.3	2,155	1,991	164	8.3
Lease payments (*)	(119)	(109)	(10)	(9.2)	(491)	(504)	13	2.6
EBITDA After Lease (EBITDA-AL)	414	394	20	5.7	1,664	1,487	177	11.9

(*) Does not include approximately 287 million reais in sanctions associated with the decommissioning plan following the acquisition of the Oi Group's movable assets; approximately 49 million in 2024 (approx. 238 million reais; approx. 44 million in 2023).

ADJUSTED NET FINANCIAL DEBT AFTER LEASE - TIM GROUP

(million euros)	12/31/2024	31.12.2023	Change
Adjusted Net Financial Debt	10,126	25,656	(15,530)
Leases	(2,860)	(5,307)	2,447
Adjusted Net Financial Debt - After Lease	7,266	20,349	(13,083)

EQUITY FREE CASH FLOW AFTER LEASE - TIM GROUP

(million euros)	2024	2023	Change
Equity Free Cash Flow	243	763	(520)
Lease contract payments (principal share)	(564)	(827)	263
Equity Free Cash Flow After Lease	(321)	(64)	(257)

ESSENTIAL INTANGIBLE RESOURCES

The TIM Group defines the following resources, without physical substance, on which the business model of the company fundamentally depends and which constitute a source of value creation for the TIM Group, as essential intangible resources:

- Human Capital, which includes sharing and supporting the organization's governance model, risk management approach and ethical values; the ability to understand, develop and implement an organization's strategy; the loyalty and commitment to the improvement of processes, goods and services, including the ability to lead, manage and collaborate; the value provided by employees through the application of their skills, experience and expertise.
- Social-Relational Capital, which includes shared rules, behaviors and common values; Relationships with key stakeholders, as well as the trust and commitment that the organization has developed and strives to build and protect for the benefit of external stakeholders; the intangible assets associated with the brand and reputation developed by the organization; the intrinsic value of a company's relationships with its customers*(customer relationships*), suppliers, business partners, investors and other key players.
- Intellectual Capital, which includes intellectual property such as patents, copyrights, software, rights and licenses; organizational capital, such as implicit knowledge, systems, procedures and protocols; as well as the value created by the company through its innovations and processes.

Please refer to the note "Intangible assets with a finite useful life" in the Consolidated and Separate Financial Statements for information on the assets recorded in the balance sheet.

For information on non-budgeted assets and how these resources constitute a source of value creation, please refer to what is contained within the "TIM Group Sustainability Reporting," Section 1 - General Information and Section 3 - Social Information.

INNOVATION, RESEARCH AND DEVELOPMENT

2024 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 continues to extend 5G coverage, with the aim of reaching 90% of the population **by 2025**, as envisaged in the Group's strategic plan. 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.

The TIM Group has the best spectrum in Italy, being able to count on more than 100 MHz in the "C-Band" (3.4–4.2 GHz).

In relation to the NRPP tenders, the targets under the 5G Densification tender have been exceeded as of December 31, 2023 (achieved 109% of the target).

In 2024, the TIM Group continued to invest in both 4G and 5G technologies to improve the quality of its network, while in the next two years investments will be focused almost exclusively on 5G, which will enable the Group to offer better services.

The Group's "Free to Run" plan involves (i) leveraging 5G to improve quality and enable new operating models, and (ii) developing and strengthening mission-critical communication and infrastructure monitoring.

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.

The benefits of 5G will be evident for:

- consumers - will be able to access a vast range of innovative services based on the Internet of Things with devices connected to fitness sensors, cars, radios, air conditioning systems, household appliances and cameras. Furthermore, it will be possible to enjoy immersive 3D entertainment experiences thanks to the low latency and high bandwidth capacity of 5G;
- businesses - new production processes will be enabled which, thanks to the characteristics of 5G technology and the combination with artificial intelligence, Cloud and Smart robotics, will have greater efficiency, reliability and safety;
- citizens - smart cities will become a reality thanks to the availability of data provided by millions of sensors applied to objects (e.g. electricity poles, traffic lights, etc…) connected to the network. Each municipality will thus be able to have its own Control Room.

The most recent applications and use scenarios of TIM's 5G

In **November 2024**, TIM Enterprise 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 June of last year, a surgical operation was carried out remotely from the La Principina Conference Center in Grosseto to the Bari General Hospital's Eye Clinic. This was made possible thanks to TIM's 5G technology, in collaboration with Ericsson. The success of remote surgery underscores the potential of 5G technology in this area and demonstrates how TIM Enterprise provides expertise and infrastructure to the healthcare industry. In April, the first intercontinental keratoconus telesurgery operation was controlled remotely from the Le Méridien Convention Center in Dubai and also held at Bari General Hospital's Eye Clinic. The surgery was carried out thanks to the 5G technology of TIM, which, in collaboration with Ericsson, installed the appropriate infrastructure at Bari General Hospital's Eye Clinic, and made it possible to maintain adequate transmission latency between the iVis Remote Control Station and the iRes®2 laser. Further precedents were in Rome, where corneal refractive surgery was remotely managed in two distant locations (La Nuvola Congress Center and San Carlo di Nancy Hospital), and in Bari, at the General Hospital.

In **December 2023**, 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. **Throughout 2024**, visitors will be able to appreciate the works inside the Monumental Complex of Florence in an innovative way using 5G millimeter wave smartphones, on which an augmented reality application is installed.

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#mp--1669042489.

TIM also offers 5G speed to customers traveling cross-border. 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 the website: https://www.tim.it/fisso-e-mobile/estero/copertura-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.

Smart City

Introduced in Venice in 2020, the Control Room for the smart city of the future brings together in a "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.

In this context, in addition to Venice, numerous other projects have been launched in large cities such as Milan and Bari as well as in smaller towns like Cairo Montenotte to improve mobility and urban safety, and in Assisi and Brescia to detect the presence of tourists in the city, based on a special algorithm that allows you to analyze numbers and origins, starting from the data collected by the mobile telephone network, anonymously and in full respect of privacy.

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.

Since 2022, TIM has been 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.

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.

In December 2023, 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. Throughout 2024, visitors were able to appreciate the works inside the Monumental Complex of Florence in an innovative way using 5G millimeter wave smartphones powered by Qualcomm Technologies, on which an augmented reality application developed by Live Reply is installed. A new way of experiencing art made possible thanks to the high bandwidth capacity and minimum latency of TIM's 5G millimeter wave technology and TIM Enterprise's Extended Reality solutions.

Since October 2023, TIM has been 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 has created 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.

Cars, Transport and Ports

The TIM Group, in collaboration with specialized technology partners, acts as an enabler for the adoption of digital technologies by tourism and cultural institutions and companies. We support them in their digital transformation with an ecosystem of state-of-the-art information and telecommunication technologies capable of innovating business models and developing new user experiences within digital and virtual spaces in which the cultural offerings of these institutions can be conveyed through a brand-new customer journey. In all these cases, the 5G network is important for implementing application scenarios in both outdoor and indoor settings due to its very high transmission capacity and very low latency, which together allow huge amounts of information to be transferred, with very low response times in remote user interactions.

TIM Enterprise has actively contributed to developing several use cases in tourism, culture and entertainment by always placing the most innovative technologies at the fingertips of industry specialists.

TIM is the leader of the consortium working on the 5G MASS (Maritime Autonomous Surface Ship) project, funded by the European Space Agency (ESA) and including CNIT, Cetena, Flysight and Grimaldi. The project involves the creation of a high-capacity, low-latency private 5G network to support the assisted docking use case of a ship from Grimaldi's ECO fleet in the Port of Livorno, thanks to the continuous exchange of information between the ship and the network. Ports, which are essential to the European economy, have to manage ever-increasing volumes of goods and are increasingly considering the need to digitize loading and unloading operations, which also favors shortening port entry and exit times. For further details, visit the website: **https://www.timenterprise.it/approfondimenti/tim-enterprise-rete-privata-5g-livorno**.

Other events

TIM promotes the use of new technologies to enhance artistic, historical and archaeological heritage, including through start-ups and innovative enterprises.

The Amphitheater at Pompeii was the setting for the "Pompeii Echoes" concert event. This offered spectators a unique immersive experience by generating suggestive interactions between the musical *performance*, the set design and the setting's magical atmosphere thanks to the most advanced digital technologies. The star of this engaging show was Max Gazzè, who together with a group of exceptional musicians and singers performed a tribute to Pink Floyd's concert recorded in Pompeii in 1971.

TIM, in collaboration with Qualcomm, has made advanced Extended Reality techniques and innovative digital solutions – supported by 5G mmWave technology – available to the public. Thanks to these cutting-edge technologies, the past was projected into the future by this mix of music, lights and special effects, all against the magical backdrop of the Amphitheater. This created marriage between the real and the virtual to enhance the show with unprecedented forms and content.

Industrial automation and robotics

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.

In January 2023, TIM Enterprise started a partnership with Ilmea, a metalworking company of Boncore in Salento, amongst the first in Italy to adopt a private 5G network. TIM's Private Network 5G solution enables the interconnection of machines and data production functional to business objectives, with all the advantages of 5G on a private perimeter: high security, speed, low latency and flexibility. This service responds to the growing need of companies to accelerate the digitalization process and modernize production chains.

Smart Agriculture

TIM Enterprise offers TIM Easy Farm, the precision agriculture, farm management and supply chain traceability service developed with Olivetti for companies in the agri-food sector. Thanks to advanced connectivity and the most innovative technologies such as drones and IoT sensors, Big Data Analytics, artificial intelligence and blockchain, TIM Easy Farm allows you to optimize field operations and the resources used, achieving a reduction in costs, greater quality and sustainability of production and the certification of the activity carried out throughout the entire supply chain, from field to table.

New innovative solutions

With the aim of further strengthening 5G and making its innovative applications a distinctive element in the delivery of cultural events, TIM Enterprise has prepared a portfolio of innovative tourism and culture solutions to meet the emerging needs of this market:

- TIM Extended Reality: a comprehensive offering that provides augmented and virtual reality and metaverse solutions to give visitors a more immersive experience. Extended reality provides a new way of engaging with viewers and visitors, and offers viable alternatives to physical tours, allowing access to valuable and fragile areas and places that are usually not open to the public or are not accessible to people with disabilities;
- TIM e-Vent Platform: a platform for phygital or fully digital events, which enhances live or streamed shows with highly immersive and exciting digital effects; this also combines the latest technologies such as extended reality, light mapping, project mapping and drone shows;
- SMI Smart Mapping Interface: a Digital Twin 3D platform that integrates and manages artistic and cultural heritage assets;
- Drones for promoting tourism and monitoring events.

Innovation and research with universities

Funded research activities

TIM also continued to actively participate in innovation and research initiatives funded by the European Union and national governments in 2024. In particular, TIM took part in international projects covering key issues for the company. In the four-year period 2018-2021, TIM has participated in more than 50 project proposals included in European research and innovation programs (such as Connecting Europe Facility, Horizon 2020 and its recent evolution Horizon Europe), some of which funded to the tune of around 16 million euros. 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.

The research with the Universities was undertaken during the second half of 2024 by specifically identifying real, structured courses 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 Catania for projects on AI&BigData, IoT, Mobility.
  - 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 Bologna, with research on the topic of 5G;
  - University of Trento and University of Pisa, with research projects on the topic of Radio Evolution.

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

- research collaborations worth around 960,000 euros for 2024, involving orders across all technology themes (Mobile, Edge&Cloud, AI, Energy, IoT, Mobility, Industry) with various departments of leading research centers;
- the presence of TIM researchers in various capacities in university courses;
- 3 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:

- Telco asset protection (spectrum, network, numbering):
- Support for expansion into new markets, e.g., Enterprise:
- Consolidate its position in traditional markets, e.g. Consumer.

Specialized technical oversight of TIM delegates, some of whom also hold leadership roles, is concentrated on the top priorities for the Telco sphere, such as 5G, IoT, Virtualization, OSS Orchestration and evolution, Artificial Intelligence, Energy Efficiency, regulatory impacts, etc. By contributing and playing an active role in the bodies that guide the evolution of these issues, which are crucial for TIM's business, TIM can influence how these are developed and achieve optimal solutions in partnership with its vendors of reference and in relation to 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 agreement 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). Ever since 3G, the 3GPP has produced technical specifications for all subsequent mobile radio generations and is working on developments for 6G.

The 6G TIM issue is constantly monitored through two strands:

- European projects, for example with Hexa-X-II the "flagship" project under Horizon Europe for the pre-standardization of 6G;
- the world of standardization with active participation in entities such as the 3GPP, O-RAN Alliance, NGMN and 6GIA.

These activities prepare TIM for the actual start of work on the topic, which will come into effect in mid-2025 and continue until 2030.

Patents and Intellectual Property Rights[1]

In 2024, the size of the Group's patent portfolio remained consistent with previous years. New patent applications dropped slightly (6 patent applications filed for new inventions), as did the number of new patents issued during the year. The rationalization of the patent portfolio has led some patents to be abandoned where, as the technology has evolved, they have shown no 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 at the end of 2024, with 450 patented inventions, includes more than 2,350 patent applications and patents issued; the latter have been issued after examination by the European Patent Office and national patent offices in 14 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. Also of note is participation in several 3G, 4G and 5G patent pools[2] managed by Sisvel and Avanci, with TIM's patented inventions proving essential to those standards. The patent pools garnered new participants during the year: specifically, Avanci's 3G+4G automotive patent pool currently includes 60 "standard essential" patent holders and has licensed 56 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.

[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.

Innovation, research and development in Brazil

The Technology Innovation department[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 December 2024, the Technology Innovation function was made up of 27 people, incorporating telecommunications, electrical and electronic, IT and others with professional skills and experience, which cover all areas of network and IT knowledge, meeting the need to innovate and support research and development activities.

The Technology Innovation function 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 - TIM Lab is the multifunction environment focused on innovation, which also plays a strategic role in supporting credibility tests and trials, as well as PoCs (proofs of concepts), collaborating with the main suppliers and technology partners through knowledge sharing, technological infrastructure for interoperability tests, staff assessment and the definition of 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[4], 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 2023-2024.

In 2024, TIM Lab worked on 51 type-approvals of mobile devices (41 new smartphones, 4 new software products, 6 regressions to correct errors) and 15 SIM cards.

TIM Guaratiba Valley – Established in 2019, TIM Guaratiba Valley is an innovation campus for Silicon Valley-inspired infrastructure solutions. The space 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 deploying sites with band n78 (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 December 2024, TIM has 607 towns and cities covered by 5G, serving more than 67% 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 5,000 towns and cities nationwide. This provides an important basis for exploring new business opportunities.

[3] Architecture & Technology Evolution within the Chief Technology Office (CTO).
[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 SA 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 with a total of 422 shared sites each. From 2021 up to the end of 2024, we included other towns and cities within the single network agreement providing 3G and 4G coverage. One of the operators has switched off the 3G and 4G networks in more than 380 towns and cities (resulting in 23% implementation of the agreement perimeter).
- **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. By the end of 2024, TIM was sharing its 2G network across 785 towns and cities under the sharing agreement, including in major cities such as Rio de Janeiro, Curitiba, Fortaleza, Brasilia, Belem and Recife. During the same period, Vivo was sharing its 2G network across 1,063 cities, including in cities such as Belo Horizonte, Salvador, Manaus, Porto Alegre and Campinas (by the end of 2024, about 80% of the agreement perimeter had been implemented).

RAN Sharing (Single Network and 2G Switch-off) projects are continuing to be rolled out in 2025, bringing substantial savings in energy consumption.

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

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. Henceforth, the companies involved in Conecta 2030 will need to address the challenge of developing a concept-ecosystem from 2023 to 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).

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. The first implementation was in 2023 and involved a customer in the port logistics segment. Also in 2022, TIM ran a Proof of Concept with a customer in the automotive industry, successfully demonstrating an automated quality conformance use case. An RFI was launched in 2024 to understand the current ecosystem of private network providers, and a new solution will be readied in 2025 to meet the needs of business customers.

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 created the 5G 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. The 5G Fund plans to make between eight and ten investments over a two- to three-year period, each with an average investment of 20 million to 25 million dollars.

5G RedCap — In 2024, the Technology Innovation 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).

[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.

Open Lab initiatives

TIM S.A. joined the Telecom Infra Project (TIP) in 2017, an initiative founded by Facebook, SK Telecom, Deutsche Telekom, Nokia, Intel and other companies, which aims to create a new approach to building and implementing the telecommunications network infrastructure. Tim S.A. transformed TIM Lab into the first TIP Community Lab in Latin America, available to Tip members to create universal standards for solutions (initially transport networks, Open Optical Packet Transport working group) so as to overcome the challenges related to interoperability of different supplier products.

In 2018, TIM S.A. also joined, together with Vodafone and Telefonica, a new working group within the TIP, called DCSG (Disaggregated Cell Site Gateway[7]). This project offers an opportunity to define a common set of operator requirements and coordinate with companies that manufacture devices, which have wider and more flexible capacities and are cheaper; in June this year, the main functions of the solution were demonstrated with the help of Facebook, core EDGE suppliers and TIP members.

Finally, in 2020, TIM S.A. and the TIP partners completed their validation of the TSS (Total Site Solution), an inexpensive, unrestricted 4G NodeB solution, powered by solar energy and connected by satellite to the core TIM S.A. network, to be used in remote zones with low population density. Since then, Tim has also adhered to other initiatives, like OpenRAN with the Open Field project, to validate OpenRAN 4G and 5G solutions focused on the separation of hardware and software at RAN level. This latter initiative ended in March 2023, when TIP scaled back its business in Latin America, but before this it was possible to validate the Open RAN 5G SA TIP test plan with an Open RAN 5G supplier.

5G Open Labs Brazil with UFPE — In April 2023, TIM and UFPE (Federal University of Pernambuco) signed a memorandum of intent to jointly carry out teaching, research, dissemination and innovation activities involving the exchange of technical and scientific information, particularly in the area of ICT.

Living Lab 5G — In January 2024, TIM entered into an agreement with the City of Florianópolis and ACATE (Catarinense Technological Association) for a technical collaboration with the City of Florianópolis, in which connectivity infrastructure will be provided for the *Living Lab 5G Florianópolis* program. This urban lab will leverage the real city environment to test and validate technological innovations and business models using 5G technology. Innovative solutions will be considered for testing in areas such as security, sanitation, and urban mobility. This partnership aims to encourage open innovation and to contribute to growth and digital transformation in sectors such as education, healthcare, transportation and security, which will derive benefit from the 5G network.

[7] Based on an open and unbundled architecture, the new DCSG is designed for the economic backhaul of cellular site traffic on existing mobile networks and emerging 5G infrastructures.

EVENTS AFTER DECEMBER 31, 2024

See the Note "Events after December 31, 2024" in the Consolidated Financial Statements of the TIM Group and the Separate Financial Statements of TIM S.p.A. for the year ending December 31, 2024.

BUSINESS OUTLOOK FOR THE YEAR 2025

Below are the TIM Group's 2025-2027 financial targets (organic data, excluding Sparkle and the effects of the 1998 concession fee refund)[1]:

- **Group revenues** to rise by 3% on average per annum over the entire plan period (CAGR 2024-2027) from 13.7 billion euros pro-forma in 2024; for TIM Domestic revenues to grow by 2-3% on average per annum over the three-year period from 9.4 billion euros pro-forma in 2024. For 2025, Group revenues are expected to grow by 2-3%, and by 1-2% for TIM Domestic.
- Group organic **EBITDA After Lease** to rise 6-7% per annum on average over the entire plan horizon (CAGR 2024-2027) from 3.6 billion euros pro forma in 2024; for TIM Domestic, EBITDA After Lease to grow by 5-6% on average per annum over the three-year period from 1.9 billion euros pro-forma in 2024. For 2025, Group organic EBITDA After Lease is to grow by approximately 7%, and 5-6% for TIM Domestic.
- **Group CapEx** of about 14% of revenues in 2025, falling to around 13% in 2027; TIM Domestic CapEx of 12-13% in 2025, falling to about 11% in 2027

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- **Equity Free Cash Flow After Lease**[2] of approximately 0.5 billion euros in 2025[3], approximately 0.9 billion euros in 2026, and approximately 1.1 billion euros in 2027, for a total of approximately 2.5 billion euros accumulated over the plan period.
- Organic reduction in **Group debt**, with a Net Debt After Lease/EBITDA After Lease ratio of less than 1.9x in 2025[4].

The Group expects continued decline in debt for the two years 2026-2027, with a potential leverage of 1.1x.

TIM will be able to seize all the opportunities that the evolution of its financial position will offer, confirming its commitment to keep leverage below 1.7x at the end of 2027, which is a "best in class" level among European peers.

For financial years 2026 and 2027, TIM aims to remunerate its shareholders with an amount equal to about 70% of Equity Free Cash Flow After Lease, net of dividends for TIM Brasil's minority shareholders, resulting in a payout of approximately 0.5 billion euros in 2027 and approximately 0.6 billion euros in 2028. The company also aims, during 2026, to pay its shareholders an additional remuneration linked to the sale of Sparkle[5] and amounting to about 50% of the proceeds (about 0.35 billion euros).

Shareholder remuneration will be subject to the availability of distributable reserves, and approval of the Board of Directors and Shareholders' Meeting.

With regard to the individual entities comprising the TIM Group, the industrial plan sets out the following strategic lines:

- **TIM Consumer**: core business revenues will continue to stabilize, with an improvement in the downward trend in lines and growth in ARPU, and with greater customer convergence between fixed and mobile. In parallel, the 'Customer Platform' model will accelerate by expanding current services, launching utilities for small and medium-sized businesses in 2025, expected to generate €200 million in cumulative revenues by 2027, and other high value-added sectors in 2026, resulting in 'Beyond Connectivity' revenue growth of more than 10% over the plan period. Investments on the mobile network will enable accelerated development of 5G, which leverages the country's biggest spectrum and data transport network, and customer migration to FTTH will continue.
- **TIM Enterprise**: Leveraging its unique positioning and competitive advantages, the acceleration of service revenues driven by further expansion in the ICT market will continue, with an evolution of offerings toward higher value-added services, amplified by positioning on key growth sectors (Cloud, IoT, Cybersecurity). The revenue mix includes a stable absolute value contribution from the connectivity business and growth in ICT revenues, which will exceed 70% of total revenues. The value of contracts is expected to grow to over 5 billion euros in 2027. On the Cloud front, TIM Enterprise will continue to invest in its Data Center network, with a new facility operational by the end of 2026 to be added to the existing 16, plus the upgrading of two more Data Centers, for a total of about 200 million euros in investments over the plan period, increasing installed capacity by more than 25%.
- **TIM Brasil**: Further revenue growth is expected, at a rate above inflation, together with consolidation of market leadership, including through expansion of key vertical markets and a focus on cost efficiency and digitization of services.

The Group will invest around 6 billion euros over the plan period, aiming to consolidate its leadership and distinctive offerings in areas such as 5G, Cloud, IoT and artificial intelligence.

[1] Excluding non-recurring items, changes in the scope of consolidation, and fluctuations in exchange rates. Group data with an average exchange rate of 5.83 R$/€. The 2025-2027 perimeter excludes the income contribution of Sparkle and any proceeds associated with the sale of the company. 2024 has been reworked by excluding Sparkle's contribution.
[2] TIM Brasil cash flow based on annual exchange rate published by Bloomberg Survey and based on projections of major banks at January 9, 2025 (average exchange rate @ 6.18R$/€ in '25, 6.37R$/€ in '26 and 6.20R$/€ in '27).
[3] Including the repayment of the concession fee for 1998 the Equity Free Cash Flow AL for 2025 of the TIM Group would amount to about 1.5 billion euros.
[4] Adj. net debt AL/Organic EBITDA AL. TIM Brasil net debt based on consensus of exchange rate evolution (EoP exchange rate at R$6,21/€ in 2025). Including the effect of the reimbursement of the concession fee for 1998 on net debt, leverage would be about 1.7x.
[5] Assuming closing of the transaction in the first quarter of 2026.

At the Domestic level, the plan also includes an extension of the cost transformation project, with a cumulative target of additional cost reduction and total investment of over 700 million euros to 2027, driven by the simplification and downsizing of cost structures. There will be a focus on efficiency in the Consumer area and internalization of resources and skills in the Enterprise area, with the aim of mitigating cost trends related to the change in revenue mix.

ESG and innovation is also at the heart of the strategic plan, setting four key objectives – people growth, sustainable infrastructure, cybersecurity, and technology transformation – for which the Group has identified quantitative targets that will guide the entire organization.

TIM reaffirms its commitment to driving change toward gender parity (target of 35.5% female managers by 2027, with full gender parity maintained on the Boards of Directors of Group companies). In general, the plan aims to create a dynamic work environment in which collaboration, merit and a desire to innovate are the engines for growth. Training and reskilling will focus on innovation, specifically the adoption of AI in organizational processes and gaining new skills for the increasing development of services and solutions based on new technologies.

Environmental targets (100% renewable energy by 2025 and Net Zero by 2040) represent an opportunity for the Group to further optimize the consumption energy and other resources, reduce operating costs and minimize risks related to energy price fluctuations, and leverage leadership on environmental impact in competitive scenarios consistent with regulation.

Cybersecurity is a strategic priority, with the strengthening of security code, automated testing and an advanced anomaly detection system. There will be a strong push on technology transformation, with targeted investments in ICT, adoption of network-to-cloud, and the integration of AI into operational and decision-making processes.

Finally, the Group is targeting 17% growth per year in innovative services, with the goal of further strengthening the deployment of solutions with high social and environmental impact, such as applications for smart cities and digitization of the public administration, i.e. services that will enact the Italian digital transition.

In conclusion, the 2025-2027 business plan integrates business and financial objectives with ESG targets that aim to create a working environment fit for the ongoing drive for innovation in the global market, while also promoting operational efficiency, stimulating innovation, and ensuring effective risk management and control.

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 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 critical issues in the supply chain; 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.

These risk factors, for each issue deemed material from an Environmental, Social and Governance (ESG) perspective and based on the relevant sustainability dimension, are described within the Sustainability Statement within this Report on Operations, in the sections "General Information - Management of Impacts, Risks and Opportunities", "Environmental Information", "Social Information", and "Governance Information", consistent with the European legislation set out in the Corporate Sustainability Reporting Directive (CSRD) and its implementing decree 125/2024.

Risks related to the business and industry

Risks related to competition

The telecommunications market continues to maintain a high level of competition that for the TIM Group entails potential risks of a reduction in its market share and/or an impact on market prices. In addition, Swisscom's recent 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.

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.

For more details, please refer to the 2024 TIM Group Sustainability Statement section **[48 d], [AR 18].**

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.

For more details, please refer to the 2024 TIM Group Sustainability Statement section **[48 d], [AR 18].**

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 may be exposed to 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.

Generally, 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, the TIM Group – which has stipulated and may continue to stipulate a portion of financing in currencies other than the euro – in line with its risk management policies, generally covers this exposure to exchange rate risk through cross-currency and interest rate swaps.

The TIM Group is also exposed to the interest rate risk on the portion of its consolidated gross 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 particolare, per mitigare il rischio di liquidità, il Gruppo TIM ha l'obiettivo di mantenere un "adeguato livello di flessibilità finanziaria", in termini di disponibilità liquide e linee di credito sindacate *committed*, che consenta la copertura delle esigenze di rifinanziamento almeno dei successivi 12-18 mesi.

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 latest data released by ISTAT in December point to a slowdown in the Italian economy in 2024 compared to forecasts at the beginning of the year. The slowdown also extends to growth forecasts for 2025. The scenario formulated by the Bank of Italy, in line with that of ISTAT, assumes +1% growth on average over the forecast period 2025-2027. Under both scenarios, next year's growth is supported by domestic demand, which is also improving due to lower unemployment rates. The outlook for foreign demand, on the other hand, is weighed down by uncertainty over the trade policies of the new U.S. Administration and developments in the geopolitical framework.

Energy prices continue to be a variable to be closely watched. The recent increase in gas prices due to the aftermath of the conflict between Russia and Ukraine could affect inflation and consumption, resulting in a deterioration in the macroeconomic environment and affecting business conditions.

Compared to previous assessments, the Central Bank of Brazil released a data update in December revising its 2024 GDP growth estimates upward, reflecting an improvement for the services sector that offsets declining estimates for agriculture and industry. GDP projections for 2025 stand at +2.1%, driven mainly by the expected increase in household consumption.

Inflation for 2024 is expected to rise from previous estimates, exceeding the target set and last year's value. The inflation forecast for 2025 has also increased compared to the previous projections. Despite the approval of the package of measures to reduce government spending and interest rate increases to contain inflation, the possible introduction of tariffs by the new U.S. Administration and a generalized distrust of Brazilian fiscal policies could delay the stabilization of the exchange rate, which has been highly volatile and significantly depreciated against the euro during 2024.

Geopolitical uncertainty

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 following developments related to the conflict between Russia and Ukraine and the tension in the Middle East.

The reduction in the volume of gas from Russia to the European Union due to recent developments in the Russia-Ukraine conflict could increase the cost of energy. It should be noted that the TIM Group has implemented a hedging program that, on the domestic front, has enabled it to procure most of the 2025 requirements in advance.

The inauguration of the new U.S. Administration will lead to a shift in the country's foreign policy choices. This could affect both geopolitical balances and the evolution of international trade, and also affect imports of advanced technological and digital systems.

The current uncertain geopolitical environment and ongoing tensions may have global consequences and increase risks for the TIM Group. Such risks include the 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.

Pandemic risk

Although the peak of the Covid-19 pandemic has passed, 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.

For more details, please refer to the 2024 TIM Group Sustainability Statement section, **[48 d], [AR 18], [ESRS S1].**

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.

INFORMATION FOR INVESTORS

Share capital of TIM S.p.A. at December 31, 2024

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 December 2024 average prices)	5,507 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.".

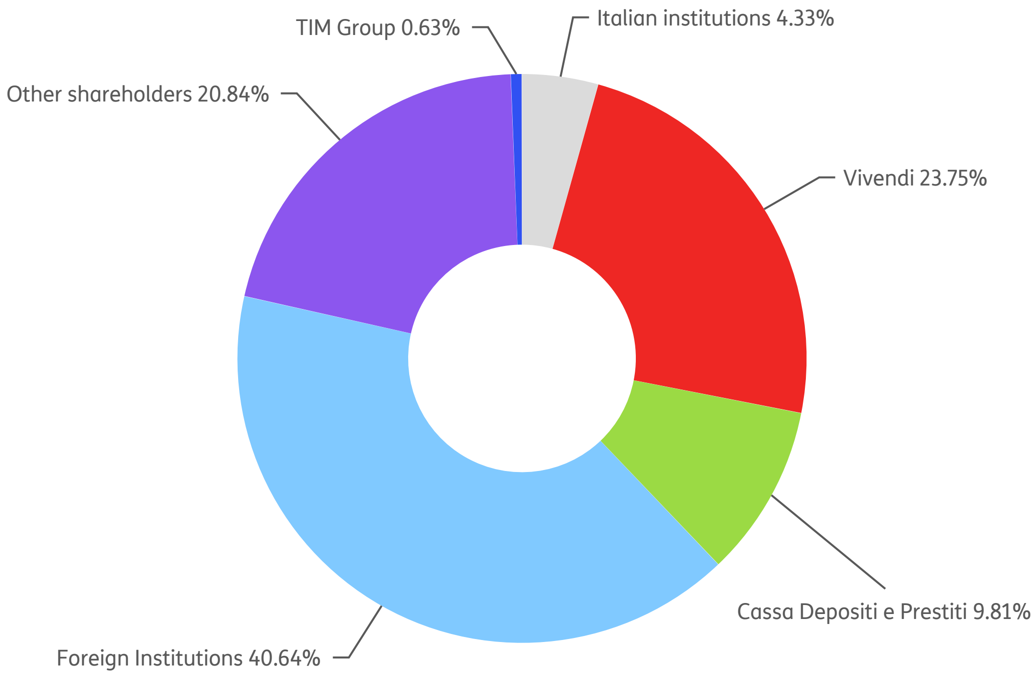
TIM S.p.A. ordinary and savings shares are listed on the Italian stock exchange (FTSE index), whereas the ordinary shares of TIM S.A. are listed in Brazil under B3.

	TIM - Telecom Italia		**TIM S.A.**
Code	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 December 31, 2024, supplemented by communications received and other available sources of information (ordinary shares):



Major Holdings in Share Capital

As of December 31, 2024, 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
Vivendi S.A.	Direct	23.75%
Cassa Depositi e Prestiti S.p.A.	Direct	9.81%

On February 19, 2025, "Notification of Relevant Shareholding - Form 120A" was received indicating the relevant shareholding of Poste Italiane S.p.A. in place of Cassa Depositi e Prestiti S.p.A. for the same percentage.

On March 21, 2025, a "Notification of major shareholding - Form 120A" was filed indicating the change in Vivendi S.A.'s major holding from 23.75% to 18.374%.

Common Representatives

The special meeting of the savings shareholders held on June 28, 2022 renewed the appointment of Dario Trevisan as the common representative for three financial years, up to the approval of the financial statements for the year ended December 31, 2024. Upon completion of the shareholders' meeting called to approve the financial statements for the year 2024, the general category meeting will be called to renew the common representative of savings shareholders.

Rating

At December 31, 2024, the three rating agencies – Standard & Poor's, Moody's and Fitch Ratings – rated TIM as follows:

	Rating as of 12/31/2024		Rating as of 12/31/2024	
	Rating	Outlook	Rating	Outlook
STANDARD & POOR'S	BB	stable	BB	stable
MOODY'S	Ba3	positive	Ba3	positive
FITCH RATINGS	BB	stable	BB	stable

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.

Conditions for the listing of shares of parent companies established and regulated by the law of states outside the European Union

TIM S.p.A. confirms the existence as at December 31, 2024 of the conditions referred to in article 15, subsection 1, letter a), b) and c), point i) of Consob Regulation no. 20249/2017 as amended, for the listing of their shares on regulated markets.

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 and of TIM S.p.A..

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 purpose of the 2024 financial statements, 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.

In addition, there were no transactions concluded in 2024 that significantly impacted the equity position or results of the TIM Group and TIM S.p.A., nor were there any changes or developments with respect to the related-party transactions described in the 2023 Report on Operations which had a significant effect on the financial position or on the performance of the TIM Group and TIM S.p.A. in 2024. 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, gave 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 relationships with related parties, see the Financial Statement Statements and the "Related-party transactions" Note of the Consolidated Financial Statements and the Separate Financial Statements.

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 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 expenses (income) from investments [(1)]
+/-	Share of losses (profits) of associates and joint ventures accounted for using the equity method [(2)]
EBIT – Operating profit (loss)	
+/-	Impairment losses (reversals) of non-current assets
+/-	c) 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	

[(1)] Expenses (income) from investments for TIM S.p.A.

[(2)] Line item in Group consolidated financial statements only.

- 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 2024 and 2023 of the business in the "TIM ServCo" perimeter 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 TIM ServCo 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 second half of the year, the actual accounting impact of the MSA and the Transitional Services Agreement (TSA).
- **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 statements 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. In particular, 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.

Key operating and financial data

TIM S.p.A.

REVENUES		**EBITDA**	
9,218	*millions of euros*	2,330	*millions of euros*

EBITDA LIKE-FOR-LIKE		**EBITDA** *AFTER LEASE* **LIKE-FOR-LIKE**	
1,764	*millions of euros*	1,685	*millions of euros*

NET FINANCIAL DEBT CARRYING AMOUNT

9,915 *millions of euros*

ADJUSTED NET FINANCIAL DEBT - *AFTER LEASE*

9,080 *millions of euros*

CAPITAL EXPENDITURES & LICENSES		**HEADCOUNT AT YEAR END**	
1,037	*millions of euros*	**12,951**	*numbers*

REVIEW OF KEY OPERATING AND FINANCIAL DATA - TIM S.P.A.

Main changes in the corporate structure

During 2024, the main corporate transactions were as follows:

- on July 1, 2024, TIM S.p.A. transferred the Business Unit –consisting of the activities relating to the Primary Network, the Wholesale business and 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")) and, together with FiberCop S.p.A., entered into a Master Services Agreement regulating the terms and conditions of the services provided between FiberCop S.p.A. and TIM S.p.A.. On that date, therefore, the economic and equity effects of the transaction were recognized; The income statement figures of the Business Unit pertaining to TIM S.p.A. up to the date of sale have been classified as Discontinued Operations in accordance with IFRS 5.

  For more information, please refer to the section "Disposal of NetCo" in the section "Key Operating and Financial Data - TIM Group" of this Report.

During 2023, the main corporate transactions were as follows:

- *TIM Servizi Digitali S.p.A.*: On August 4, 2023 TIM S.p.A. sold 100% of the share capital of the company TIM Servizi Digitali S.p.A. to the company Nextaly Srl..

Operating Performance

(million euros)		2024	2023	% Change	
					% like-for-like
		(a)	(b)	(a - b)/b	
Revenues		9,218	8,967	2.8	2.0
EBITDA	(1)	2,330	2,199	6.0	6.4
EBITDA Margin	(1)	25.3%	24.5%	0.8 pp	
EBIT	(1)	662	544	21.7	
EBIT Margin	(1)	7.2%	6.1%	1.1 pp	
Profit (loss) for the year		(1,242)	(995)	24.8	
Capital expenditures		1,037	1,080	(4.0)	
		31.12.2024	31.12.2023	Change Amount	
		(a)	(b)	(a-b)	
Net financial debt carrying amount	(1)	10,180	21,664	(11,484)	
Adjusted Net Financial Debt	(1)	9,915	21,149	(11,234)	
Headcount at year end (number)		12,951	32,951	(20,000)	

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

Complex contracts

As part of a process aiming to ensure the identification and definition of the initiatives for the evolution of the internal control system for the management of corporate risks, in 2022, the TIM Group instituted a Technical Committee to supervise complex contracts (the "Technical Committee").

The Technical Committee has defined:

- the objective criteria on which basis to classify a contract as a "complex contract";
- the procedure for the assessment and authorization of complex contracts, which envisages the involvement of multiple subjects and competences able to assess the different risk profiles (board decision-making process);
- an update to the policy governing the formalization process of contracts within the Group by providing for a clear identification and formalization of the rationale underlying the decision-making process for awarding complex contracts, as well as the related escalation mechanisms, thus strengthening the process of identifying and reconstructing the sources, information elements and controls performed.

Starting from the 2021 financial year, some multi-year contracts for the offer of multimedia content and a connectivity agreement have shown a negative overall margin throughout the entire contractual duration, with the need to make provisions for the registration of a Risk Fund contractual for onerous contracts for the residual duration periods of the agreements. The residual value of the Risk Provision and the forecasts of the overall contractual margin are periodically reviewed, in order to confirm or update the initial estimates and the residual amount of the Provision itself.

The utilization of the contractual risks provision for onerous contracts over the contractual term makes it possible to offset the negative EBITDA component (referring both to business operating performance and the commitments in terms of fees that TIM is contractually obliged to pay to counterparties) by recognizing a zero (organic) operating margin over the duration of the contract.

At December 31, 2024, the provision for contractual risks for onerous contracts totaled 70 million euros, which is sufficient to compensate the negative margins over the entire duration of the surviving contracts. It should be noted that, during 2024, the contract was entered into with DAZN and the related risk provision (110 million euros) was fully used.

Below are:

- the amount used of the Provision for risks to cover the negative margin;
- the amount of the total organic margins (organic EBITDA) without using the risk provision for onerous contracts.

(million euros)	2024	2023
EBITDA	2,330	2,199
ORGANIC EBITDA (including use of the risk provision for onerous contracts)	2,427	2,832
- Use of the risk provision for onerous contracts to cover the negative margin	(112)	(98)
ORGANIC EBITDA (excluding use of the risk provision for onerous contracts)	2,315	2,734

The amount of 112 million euros is the negative margin, for which the provision was used.

From a financial viewpoint, the negative margin covered by the Risks Provision has an equal impact on the Net Financial Position and cash flows.

With reference to the multi-year contracts, which in some cases require TIM to pay the counterparty prices by way of guaranteed minimum, it should be recalled that the valuation of these contracts and the estimation of the associated costs is subject to numerous uncertainties that include, amongst others, market dynamics, rulings by the market regulatory authorities and the development of new technologies in support of the service. These estimates are periodically revised on the basis of the final data to ensure that the forecast figure remains within reasonably foreseeable ranges. Not all the factors mentioned are under the company's control hence they could have a significant impact on future forecasts regarding the performance of the contracts, the estimated amount of (positive or negative) margins and the cash flows that are generated.

Revenues

2024 revenues came to 9,218 million euros (8,967 million euros in 2023), with an increase of 251 million euros or +2.8%.

Like-for-like revenues are calculated as follows:

(milioni di euro)	2024	2023	Change %
REVENUES	9,218	8,967	2.8
Non-recurring income/(expenses)	—	—	
ORGANIC REVENUES - excluding non-recurring items	9,218	8,967	2.8
Impacts deriving from:			
Master Service Agreement (MSA)	67	134	
Other	—	—	
Like-for-like ORGANIC REVENUES	9,285	9,101	2.0

"Like-for-like" service revenues amounted to 8,516 million euros (+194 million euros compared to 2023, +2.3%), thanks to the growth in ICT and Multimedia revenues despite the impact of a competitive market on the customer base.

"Like-for-like" revenues from Handsets and Bundles & Handsets, including the change in work in progress, amounted to 769 million euros in 2024, down 10 million euros compared to 2023, mainly due to lower revenues in the Enterprise segment.

Following the completion of the delayering operation, resulting in the sale of NetCo, the presentation of revenues has been changed, so that the revenues shown below are divided between Consumer & SMB and Enterprise, complete with the breakdown of the reference perimeter.

- **Consumer & SMB.** *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);*

(million euros)	2024	2023	Change %
Consumer & SMB revenues - like-for-like	**5,621**	**5,623**	**—**
Service revenues	5,087	5,117	(0.6)
Handset and Bundle & Handset revenues	534	506	5.5

Service revenues in the segment amounted to 5,087 million euros, down 30 million euros (-0.6%) compared to 2023, mainly attributable to competitive dynamics and the contraction in revenues from incoming traffic for the progressive reduction of interconnection tariffs.

Handset and Bundle & Handset revenues totaled 534 million euros, up 28 million euros compared to the first half of 2023; the change is related to higher sales volumes of mobile terminals.

- **Enterprise.** *This segment comprises the connectivity services and products and the ICT solutions managed and developed for Top, Public Sector and Large Account customers.*

(million euros)	2024	2023	Change %
Enterprise revenues – like-for-like	**3,265**	**3,065**	**6.5**
Service revenues	3,031	2,790	8.6
Handset and Bundle & Handset revenues	234	275	(14.9)

Specifically, **revenues from Enterprise services** totaled 3,031 million euros, an increase of 241 million euros (+8.6%) over 2023, due to growth in cloud and security services.

EBITDA

TIM S.p.A.'s **EBITDA** for FY2024 is 2,330 million euros (+131 million euros over FY2023, +6.0%).

Like-for-like EBITDA is calculated as follows:

(milioni di euro)	2024	2023	Change %
EBITDA	**2,330**	**2,199**	**6.0**
Non-recurring expenses (income)	97	633	
ORGANIC EBITDA excluding non-recurring items	**2,427**	**2,832**	**(14.3)**
Impacts deriving from:			
New Master Service Agreement (MSA)	(902)	(1,814)	
Reversal of previous MSA between TIM and FiberCop	341	699	
Other	(17)	20	
Like-for-like ORGANIC EBITDA	**1,849**	**1,737**	**6.4**

The following elements also affected EBITDA:

- **Other income**

(million euros)	2024	2023	Change
Late payment fees charged for telephone services	19	23	(4)
Recovery of employee benefit expenses, purchases and services rendered	34	21	13
Capital and operating grants	15	12	3
Damages, penalties and recoveries connected with litigation	2	21	(19)
Estimate revisions and other adjustments	96	40	56
Income for special training activities	1	2	(1)
Services related to the MSA in place with FiberCop S.p.A.	42	—	42
Other	24	11	13
Total	**233**	**130**	**103**

Other income increased by 103 million euros, mainly due to the income (42 million euros) from the MSA entered into with FiberCop S.pA. during the year and the increase of 56 million in the estimate revisions and other adjustments, mainly relating to the repayment of part of the penalty pertaining to the A514 case, as per the Council of State's ruling of November 13, 2024.

Acquisition of goods and services

(million euros)	2024	2023	Change
Acquisition of goods	707	724	(17)
Revenues due to other TLC operators and costs for telecommunications network access services	524	552	(28)
Commercial and advertising costs	1,642	1,474	168
Professional and consulting services	85	100	(15)
Power, maintenance and outsourced services	727	516	211
Lease and rental costs	759	626	133
Other	1,691	1,338	353
Total acquisition of goods and services	**6,135**	**5,330**	**805**
% of Revenues	*66.6*	*59.4*	*7.2 pp*

Acquisition of goods and services shows an increase of 805 million euros, mainly due to higher energy and maintenance costs (+200 million euros) and higher other costs (+353 million euros), mainly attributable to higher network access charges.

The item includes a non-recurring component amounting to 24 million euros, mainly relating to consultancy and professional services connected to corporate transactions and the management of regulatory disputes.

Employee benefits expenses

(million euros)	2024	2023	Change
Ordinary employee expenses and costs	826	886	(60)
Restructuring expenses and allocations to employee and other provisions	84	466	(382)
Total employee benefits expenses	**910**	**1,352**	**(442)**

Employee benefits expenses were reduced by 442 million euros compared to 2023; The main factors that drove this change were:

- decrease of 382 million euros in corporate restructuring and other expenses; as of December 31, 2024, 84 million euros in charges were incurred, mainly relating to wage subsidies under the Solidarity Contract and individual redundancy plans, as provided for by the union agreement signed by the Company on April 12, 2024. In 2023, charges totaling 466million euros were incurred mainly in relation to the exits of non-executive personnel – as provided for in application of Article 4 of Law no. 92 of June 28, 2012, in relation to in the agreement signed on March 21, 2023 by the Company with the trade unions – and in relation to the top-up of provisions for charges resulting from the agreements signed by the Company in 2022;
- the decrease of 60 million euros in ordinary employee expenses, mainly due to the savings resulting from the reduction of the average salaried workforce by -1,783 units on average, partially offset by the lower impact caused by the reduction in hours under the “Solidarity contract” signed on April 12, 2024 as compared to the prior Expansion agreement signed in 2022 and terminated on February 28, 2024 (+847 average units compared to 2023).

The headcount as of December 31, 2024 was 12,951 (32,951 as of December 31, 2023), a decrease of 20,000, mainly due to the spin-off of NetCo.

- **Other operating expenses**

(million euros)	2024	2023	Change
Write-downs and expenses in connection with credit management	92	104	(12)
Provision charges	36	56	(20)
TLC operating fees and charges	19	21	(2)
Indirect duties and taxes	28	25	3
Penalties, settlement compensation and administrative fines	9	24	(15)
Subscription dues and fees, donations, scholarships and traineeships	6	6	—
Sundry expenses	44	131	(87)
Total	**234**	**367**	**(133)**

Other operating expenses in 2024 decreased by 133 million, mainly due to lower miscellaneous expenses due to regulatory penalties present in 2023.

The item includes a non-recurring component of 44 million euros (132 in 2023), relating to adjustments in remuneration costs for previous years and the provision for legal disputes.

Depreciation, amortization and capital expenditures

Depreciation and amortization in 2024 came to 1,647 million euros (1,638 million euros in 2023) and are as follows:

(million euros)	2024	2023	Change
Amortization of intangible assets with a finite useful life	961	972	(11)
Depreciation of tangible assets	494	521	(27)
Amortization of rights of use assets	192	145	47
Total	**1,647**	**1,638**	**9**

The main aspects are listed below:

- **amortization of intangible assets** amounted to 961 million euros, down by 11 million compared to 2023, mainly as a result of lower amortization of software application developments and television broadcasting rights;
- **the depreciation of tangible assets owned** is equal to 494 million euros and shows a decrease of 27 million euros compared to 2023, attributable to the dynamics of investments and exercisability. Lower depreciation essentially refers to Plant and equipment (-25 million euros) and Other Assets (-2 million euros);
- **amortization of rights of use** is 192 million euros and increases by 47 million euros compared to 2023, essentially as a result of the recognition, as part of the extraordinary transaction as part of *consideration,* of rights of use (*fair value*) on B2B connections (755 million euros) with varying durations between 7 and 20 years.

Capital expenditures totaled 1,037 million euros (1,080 million euros in 2023), signaling a reduction of 43 million euros. They are so broken down as follows:

(million euros)	2024	2023	Change
Investments in intangible assets with a finite useful life	511	546	(35)
Investments in tangible assets	476	527	(51)
Investments in rights of use assets	50	7	43
Total	**1,037**	**1,080**	**(43)**

Investments in intangible assets decreased by 35 million euros, mainly as a result of fewer acquisitions of software licenses and lower software platform development activities.

Investments in tangible assets showed a decrease of 51 million euros, due to lower investment in Plant and equipment (-102 million euros) partially offset by higher investment in Construction in progress (+34 million euros) and Other Assets (+17 million euros, mainly related to management hardware systems).

Investments in rights of use assets recorded an increase of 43 million euros, essentially related to the acquisition of transmission capacity in IRUs *(backhauling* and other rights of use under the MSA with Fibercop S.p.A.).

Gains (losses) on disposals of non-current assets

The item was negative for 7 million euros in 2024 (positive for 17 million euros in 2023); in particular we note:

- capital losses of 11 million euros, mainly resulting from the disposal of Base Radio Stations, the closing of leases and the impacts resulting from the decommissioning and asset modernization project;
- capital gains of 4 million euros, mainly referring to the sale to Inwit S.p.A. of the business unit represented by communication equipment installed in 51 tunnels.

Impairment reversals (losses) on non-current assets

The item was negative by 14 million euros in 2024 (zero balance in 2023) due to the write-down of the residual value of certain network asset components related to work in progress ("plant inventory").

In preparing the Financial Statements for 2024, the Company carried out an impairment test on the goodwill. The outcomes of that testing, carried out in accordance with the specific procedure adopted by the Group, confirmed the amounts of Goodwill allocated to the Group's domestic business. Further details are provided in the Note "Goodwill" to the Separate Financial Statements as at December 31, 2024 of TIM S.p.A.

EBIT

TIM S.p.A. **EBIT** for 2024 came to 662 million euros (544 million euros in 2023).

Income (expenses) from investments

The item was negative for 270 million euros in 2024 (positive for 911 million euros in 2023):

(million euros)	2024	2023	Change
Dividends	15	1,087	(1,072)
Other income and gains on disposals of investments	26	—	26
Other income from investments	—	—	—
Capital losses and impairment losses on financial assets	(311)	(176)	(135)
Sundry expenses from investments	—	—	—
Total	**(270)**	**911**	**(1,181)**

Income/(expenses) from investments, showing an expense of 270 million euros (income of 911 million euros in 2023), mainly reflects the write-down of the equity investment in Telecom Italia Sparkle S.p.A. after the acceptance of the binding offer for the sale of the entire equity investment (100%), which entailed the full recognition in TIM S.p.A.'s 2024 financial statements of the loss for the year 2024 reported by the Telecom Italia Sparkle group (70 million euros) and the subsequent confirmation of the recoverability of the value of the equity investment based on the offer, with an additional write-down of 230 million euros. In 2023, investment income included dividends received from the subsidiary Telecom Italia Finance S.A. in the amount of 988 million euros.

Finance income/(expenses), net

Finance income (expenses) showed a net expense of 937 million euros (negative for 1,069 million euros in 2023). The reduction is essentially attributable to the dynamics of interest rates.

The item consists of:

(million euros)	2024	2023	Change
Finance income	1,003	997	6
Finance expenses	(1,940)	(2,066)	126
Total net finance income (expenses)	**(937)**	**(1,069)**	**132**

Income tax expense

In the 2024 financial statements, no deferred tax assets were recognized for tax losses for the year and previous years, in consideration of the assessment regarding the temporal distribution of the recoverability of TIM S.p.A.'s deferred tax assets.

The tax amount of 31 million euros essentially represents the reversal to the income statement of deferred tax assets mainly related to the use of provisions for risks and does not involve a financial outlay.

In 2023, the Tax item mainly reflected the net positive balance of the tax consolidation benefit only partially offset by the deferred tax charge.

Further details are provided in the Note “Income tax expense (current and deferred)” of the Separate Financial Statements at December 31, 2024 of TIM S.p.A.

Result of Discontinued operations / Non current assets held for sale

The **result related to “Discontinued operations/Non-current assets held for sale”** was negative 666 million euros; specifically, it includes a gain of 141 million euros, which is net of incidental costs, recognized in the second half of 2024 following the completion of the FiberCop sale.

Profit (loss) for the year

The **loss for the year** 2024 was 1,242 million euros; in detail:

- the result for the second half of 2024 was a loss of 419 million euros;
- the result for the first half of 2024 was a loss of 823 million euros, due also to the loss from the business included in Discontinued Operations, which was sold on July 1, 2024.

Also, please note that the *Master Services Agreement* governing the relationship between TIM S.p.A. and NetCo became effective as of July 1, 2024.

For further details, please refer to the Note "Discontinued Operations/Non-current Assets Held for Sale" in the Separate Financial Statements of TIM S.p.A. as of December 31, 2024.

Financial Position and Cash Flows Performance

Financial position structure

(million euros)	12/31/2024	12/31/2023	Change
Assets			
Non-current assets	26,883	43,470	(16,587)
Goodwill	*8,814*	*12,064*	*(3,250)*
Intangible assets with a finite useful life	*3,957*	*4,578*	*(621)*
Tangible assets	*1,721*	*6,561*	*(4,840)*
Rights of use assets	*1,513*	*3,271*	*(1,758)*
Other non-current assets	*10,579*	*16,590*	*(6,011)*
Deferred tax assets	*299*	*406*	*(107)*
Current assets	4,627	6,499	(1,872)
Inventories, trade and miscellaneous receivables and other current assets	*3,287*	*4,759*	*(1,472)*
Current income tax receivables	*48*	*42*	*6*
Current financial assets	*1,292*	*1,698*	*(406)*
	31,510	**49,969**	**(18,459)**
Liabilities			
Equity	12,103	13,156	(1,053)
Non-current liabilities	9,070	22,578	(13,508)
Current liabilities	10,337	14,235	(3,898)
	31,510	**49,969**	**(18,459)**

Non-current assets

- **Goodwill**: decreased by 3,250 million euros compared to December 31, 2023 as a result of the allocation of the relevant portion of goodwill to the NetCo business unit, contributed to FiberCop S.p.A. on July 1, 2024; Please refer to the Note "Goodwill" in the separate financial statements as of December 31, 2024 of TIM S.p.A. for more details.
- **Intangible assets with a finite useful life:** reduced by 621 million euros, from 4,578 million euros at the end of 2023 to 3,957 million euros at December 31, 2024, as the balance between the following items:
  - CapEx (+511 million euros);
  - amortization charge for the year (-961 million euros);
  - other movements totaling -171 million euros, including the effects of the NetCo transaction and disposals, reclassifications and other changes.
- **Tangible assets:** decreased by 4,840 million euros, representing the sum of the following:
  - CapEx (+476 million euros);
  - amortization charge for the year (-494 million euros);
  - other movements totaling -4,822 million euros, including the effects of the NetCo transaction and disposals, reclassifications and other changes.
- **Rights of use assets** (mainly relating to real estate leases, network connectivity and telecommunications infrastructure, etc.): decreased by 1,758 million euros, representing the sum of the following:
  - investments and increases in lease contracts (+249 million euros);
  - amortization charge for the year (-192 million euros);
  - other movements totaling -1,815 million euros, including the effects of the NetCo transaction and disposals, reclassifications and other changes.
- **Deferred tax assets**: decreased by 107 million euros compared to December 31, 2023.

Equity

Equity amounted to 12,103 million euros, down by 1,053 million euros compared to December 31, 2023 (13,156 million euros). The changes in equity over 2024 and 2023 are detailed in the following table:

(million euros)	12/31/2024	12/31/2023
At the beginning of the year	**13,156**	**14,252**
Profit (loss) for the year	(1,242)	(995)
Dividends approved	—	—
Equity instruments and other changes	1	6
Movements in the reserve for financial assets measured at fair value through other comprehensive income and derivative hedging instruments	175	(99)
Movements in the reserve for remeasurements of employee defined benefit plans (IAS 19)	13	(8)
At the end of the year	**12,103**	**13,156**

Cash flows

Change in adjusted net financial debt

(million euros)	2024	2023	Change
EBITDA	2,330	2,199	131
Capital expenditures on an accrual basis	(1,037)	(1,080)	43
Change in net operating working capital:	14	405	(391)
Change in inventories	*(12)*	*16*	*(28)*
Change in trade receivables and other net receivables	*219*	*12*	*207*
Change in trade payables	*116*	*108*	*8*
Other changes in operating receivables/payables	*(309)*	*269*	*(578)*
Change in employee benefits	(10)	(262)	252
Advance received on NRRP contributions	—	758	(758)
Change in operating provisions and Other changes	(99)	(132)	33
Net operating free cash flow	**1,198**	**1,888**	**(690)**
% of Revenues	*13.0*	*21.1*	*(8.1)*
Sale of investments and other disposals flow	271	(1)	272
Share capital increases/reimbursements	—	—	—
Financial investments	(53)	(33)	(20)
Dividends flow	15	1,087	(1,072)
Increases in lease contracts	(199)	(111)	(88)
Financial expenses, income taxes and other net non-operating requirements flow	(664)	(895)	231
Impact on NFD resulting from the NetCo transaction	11,644	—	11,644
Reduction/(Increase) in adjusted net financial debt from continuing operations	**12,212**	**1,935**	**10,277**
Reduction/(Increase) in adjusted net financial debt from Discontinued operations / Non-current assets held for sale	(978)	(1,375)	397
Reduction/(Increase) in adjusted net financial debt	**11,234**	**560**	**10,674**

Equity Free Cash Flow

(million euros)	2024	2023	Change
Reduction/(Increase) in adjusted net financial debt	**11,234**	**560**	**10,674**
Impact for finance leases (new lease operations and/or renewals and/or extensions (-)/any terminations/early extinguishing of leases (+))	85	471	(386)
Payment of TLC licenses and for the use of frequencies	—	—	—
Financial impact of acquisitions and/or disposals of investments	(11,859)	33	(11,892)
Dividend payment and Change in Equity	—	—	—
Equity Free Cash Flow	**(540)**	**1,064**	**(1,604)**

The decrease in net*operating free cash flow* (calculated by applying IFRS 16) in 2024 compared to 2023 (down 690 million euros) is mainly attributable to the fact that the 2023 figure included the collection of advances on NRRP grants (758 million euros).

In addition to what has already been described with reference to EBITDA, the following flows particularly impacted the change in net financial debt during the year.

Capital expenditures

CapEx totaled 1,037 million euros (1,080 million euros in 2023), with a decrease of 43 million euros, determined by lower investments in intangible assets (35 million euros) and in tangible assets (51 million euros), only partially offset by greater investments in rights of use assets (43 million euros).

Cash flows from sales of investments and other disposals

It is positive by 271 million euros (negative by 1 million euros in 2023) and refers mainly to the sale of investments in the associates Daphne 3 S.p.A. (250 million euros), Italtel S.p.A. (10 million euros) and Nordcom S.p.A. (8 million euros).

Financial investments flow

Amounts to 53 million euros and refers to capital increases carried out during the year in favor of the subsidiaries Olivetti S.p.A. Società Benefit (30 million euros) and TI Latam Participações e Gestão Administrativa Ltda (16 million euros) and in favor of the associated company Polo Strategico Nazionale (7 million euros). In 2023, the item amounted to 33 million euros and mainly referred to payments into participation accounts in favor of the associated companies Polo Strategico Nazionale (19 million euros) and TIMFin (10 million euros).

Dividends flow

Amounts to 15 million euros and shows a decrease of 1,072 million euros compared to fiscal year 2023, mainly due to the fact that last year dividends had been collected from subsidiaries Telecom Italia Finance S.A. (988 million euros) and FiberCop S.p.A. (84 million euros).

Increases in lease contracts

This item amounted to 199 million euros (111 million euros in 2023). Increases in lease contracts include the higher value of user rights entered following new lease contracts payables, increase of lease payments and renegotiations of existing contracts.

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

Negative 664 million euros (negative 895 million euros in 2023) and mainly includes the payment of net finance expenses of 1,208 million euros (158 million euros in 2023), partially offset by the change in non-operating payables and receivables.

Impact on NFD resulting from the NetCo transaction

The item is positive at 11,644 million euros and includes the improvement in adjusted net financial debt related to the NetCo transaction. More details can be found in the "Net Financial Debt" section below.

Sales of receivables to factoring companies

It should be noted that sales without recourse of trade receivables to factoring companies completed during 2024 resulted in a positive effect on the adjusted net financial debt at December 31, 2024 amounting to 1,129 million euros (1,082 million euros at December 31, 2023).

Net financial debt

Net financial debt is composed as follows:

(million euros)	12/31/2024 (a)	12/31/2023 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	4,123	9,445	(5,322)
Amounts due to banks, other financial payables and liabilities	3,242	8,649	(5,407)
Non-current financial liabilities for lease contracts	644	2,710	(2,066)
	8,009	**20,804**	**(12,795)**
Current financial liabilities (1)			
Bonds	2,127	3,007	(880)
Amounts due to banks, other financial payables and liabilities	2,698	2,976	(278)
Current financial liabilities for lease contracts	231	467	(236)
	5,056	**6,450**	**(1,394)**
Total Gross financial debt	**13,065**	**27,254**	**(14,189)**
Non-current financial assets			
Non-current financial receivables arising from lease contracts	(14)	(6)	(8)
Financial receivables and other non-current financial assets	(1,579)	(3,886)	2,307
	(1,593)	**(3,892)**	**2,299**
Current financial assets			
Securities other than investments	—	—	—
Current financial receivables arising from lease contracts	(26)	(68)	42
Financial receivables and other current financial assets	(446)	(1,032)	586
Cash and cash equivalents	(820)	(598)	(222)
	(1,292)	**(1,698)**	**406**
Total financial assets	**(2,885)**	**(5,590)**	**2,705**
Net financial debt carrying amount	**10,180**	**21,664**	**(11,484)**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(265)	(515)	250
Adjusted Net Financial Debt	**9,915**	**21,149**	**(11,234)**
Breakdown as follows:			
Total adjusted gross financial debt	**12,702**	**26,403**	**(13,701)**
Total adjusted financial assets	**(2,787)**	**(5,254)**	**2,467**
(1) of which current portion of medium/long-term debt:			
Bonds	*2,127*	*3,007*	*(880)*
Amounts due to banks, other financial payables and liabilities	*1,150*	*1,180*	*(30)*
Finance lease liabilities	*205*	*433*	*(228)*

The non-current portion of gross financial debt amounted to 8,009 million euros (20,804 million euros at the end of 2023) and represented 61% of total gross financial debt.

In line with the Group's objectives in terms of debt composition and in accordance with the Guidelines adopted for the "Management and control of financial risk", TIM S.p.A., in securing both third-party and intercompany loans, uses IRS and CCIRS derivative financial instruments to hedge its liabilities.

Derivative financial instruments are designated as fair value hedges for managing exchange rate risk on financial instruments denominated in currencies other than euro and for managing interest rate risk on fixed-rate loans. Derivative financial instruments are designated as cash flow hedges when the objective is to fix the exchange rate and interest rate of future variable contractual flows.

Adjusted net financial debt (including IFRS 16 net debt) amounted to 9,915 million euros at December 31, 2024, a decrease of 11,234 million euros compared to December 31, 2023 (21,149 million euros). This reduction is mainly due to the NetCo divestment deal finalized on July 1, 2024, which resulted in a deleverage of 11.6 billion euros (including: 3.3 billion euros bond transfer to the buyer, 2.2 billion euros settlement of intercompany positions with the Luxembourg companies, 4.2 billion euros collection of closing consideration, and 2.1 billion euros deconsolidation of net financial debt for lease contracts recorded in application of IFRS 16).

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)	12/31/2024	12/31/2023	Change
Net financial debt carrying amount	**10,180**	**21,664**	**(11,484)**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	*(265)*	*(515)*	*250*
Adjusted Net Financial Debt	**9,915**	**21,149**	**(11,234)**
Leases	*(835)*	*(3,103)*	*2,268*
Adjusted Net Financial Debt - After Lease	**9,080**	**18,046**	**(8,966)**

Net financial debt carrying amount amounted to 10,180 million euros at December 31, 2024, a decrease of 11,484 million euros compared to December 31, 2023 (21,664 million euros). Reversal of fair value measurement of derivatives and related financial liabilities/assets recorded a positive change of 250 million euros year on year due to the trend in the interest rate markets and the exit from some hedging derivatives following the transfer of the underlying bonds to Optics BidCo S.A; this valuation adjusts the booked Net Financial Debt with no monetary effect.

Adjusted Net Financial Debt - After Lease (net of the impact of all leases) at December 31, 2024 amounted to 9,080 million euros, down by 8,966 million euros compared to December 31, 2023 (18,046 million euros).

Gross financial debt

Bonds

Bonds at December 31, 2024 totaled 6,250 million euros (12,452 million euros at December 31, 2023). Their nominal repayment amount was 6,109 million euros, a decrease of 6,068 million euros compared to December 31, 2023 (12,177 million euros).

The change in bonds during 2024 was as follows:

Repayments

(millions in original currency)	Currency	Amount	Repayment date
Telecom Italia S.p.A. 450 million euros 3.625%	Euro	450	1/19/2024
Telecom Italia S.p.A. 950 million euros 4.000%	Euro	950	4/11/2024
Telecom Italia S.p.A. 1,500 million USD 5.303%	USD	1,500	5/30/2024

In April 2024, TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A made an Offer to Exchange Existing EUR and USD denominated Notes for New Notes to Bondholders in preparation for the Netco transaction. Exchange operations concluded in May 2024.

The new bonds have substantially the same terms as the corresponding series of original bonds, including in terms of their maturity, interest rate, interest payment dates and restrictive covenants.

The table below summarizes the notes still with TIM S.p.A. and those subsequently transferred to Optics on July 1, 2024:

Currency	Nominal value of original notes	Coupon	Maturity date	TIM S.p.A. original notes (nominal value)	New Notes transferred to Optics (nominal value)
Bonds issued by TIM S.p.A.					
Euro	750,000,000	2.875%	1/28/26	375,000,000	375,000,000
Euro	1,000,000,000	3.625%	5/25/26	677,997,000	322,003,000
Euro	1,250,000,000	2.375%	10/12/27	742,285,000	507,715,000
Euro	1,250,000,000	6.875%	2/15/28	625,000,000	625,000,000
Euro	1,500,000,000	7.875%	7/31/28	750,000,000	750,000,000
Euro	1,000,000,000	1.625%	1/18/29	499,180,000	500,820,000
Euro	670,000,000	5.250%	3/17/55	440,000,000	230,000,000

Revolving Credit Facility and Term Loan

The following table shows committed credit lines(*) available at December 31, 2024:

(billions of euros)	12/31/2024		12/31/2023	
	Agreed	Drawn down	Agreed	Drawn down
Sustainability-linked RCF – May 2026	4.0	—	4.0	—
Total	**4.0**	**—**	**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).

Maturities of financial liabilities

The average maturity of non-current financial liabilities (including the current portion of medium/long-term financial liabilities due within 12 months) was 5.51 years.

Details of the maturities of financial liabilities in terms of expected nominal repayment amounts, as contractually agreed, are provided in the Note "Non-current and current financial liabilities" of the Separate Financial Statements of TIM S.p.A. at December 31, 2024.

Financial assets and liquidity margin

Financial assets totaled 2,885 million euros (5,590 million euros at December 31, 2023), of which 1,429 million euros relating to financial receivables from Group companies.

Of that total, 1,292 million euros (1,698 million euros at December 31, 2023) was classified as current financial assets.

The available liquidity margin of TIM S.p.A. amounted to 4,820 million euros, equal to the sum of:

- "Cash and cash equivalents" and "Current securities other than investments" for a total of 820 million euros (598 million euros at December 31, 2023);
- Sustainability-linked Revolving Credit Facility amounting to 4,000 million euros, totally available.

This margin allows for the coverage of debt repayment maturities expected in the next 12 months.

Specifically:

Cash and cash equivalents amounted to 820 million euros (598 million euros at December 31, 2023). 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 are made with leading banking and financial institutions with high-credit-quality;
- Country risk: deposits have been made mainly in major European financial markets.

TABLES OF DETAIL – TIM S.p.A.

Separate Income Statements

(million euros)	2024 (a)	2023 (b)	Changes (a-b) absolute	%
Revenues	**9,218**	**8,967**	**251**	**2.8**
Other income	233	130	103	79.2
Total operating revenues and other income	**9,451**	**9,097**	**354**	**3.9**
Acquisition of goods and services	(6,135)	(5,330)	(805)	(15.1)
Employee benefits expenses	(910)	(1,352)	442	32.7
Other operating expenses	(234)	(367)	133	36.2
Change in inventories	14	(12)	26	—
Internally generated assets	144	163	(19)	(11.7)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**2,330**	**2,199**	**131**	**6.0**
Depreciation and amortization	(1,647)	(1,638)	(9)	(0.5)
Gains (losses) on disposals of non-current assets	(7)	(17)	10	58.8
Impairment reversals (losses) on non-current assets	(14)	—	(14)	—
Operating profit (loss) (EBIT)	**662**	**544**	**118**	**21.7**
Income (expenses) from investments	(270)	911	(1,181)	—
Finance income	1,003	997	6	0.6
Finance expenses	(1,940)	(2,066)	126	6.1
Profit (loss) before tax from continuing operations	**(545)**	**386**	**(931)**	**—**
Income tax expense	(31)	46	(77)	—
Profit (loss) from continuing operations	**(576)**	**432**	**(1,008)**	**—**
Profit (loss) from Discontinued operations / Non current assets held for sale	**(666)**	**(1,427)**	**761**	**53.3**
Profit (loss) for the year	**(1,242)**	**(995)**	**(247)**	**(24.8)**

Statements of Comprehensive Income

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

(million euros)		2024	2023
Profit (loss) for the year	**(a)**	**(1,242)**	**(995)**
Other components of the Statements of Comprehensive Income			
Other components that will not be reclassified subsequently to Separate Income Statements			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		9	3
Income tax effect		—	—
	(b)	**9**	**3**
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		13	(8)
Income tax effect		—	—
	(c)	**13**	**(8)**
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 Income Statements	**(e=b+c+d)**	**22**	**(5)**
Other components that will be reclassified subsequently to Separate Income Statements			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		1	4
Loss (profit) transferred to the Separate Income Statements		—	—
Income tax effect		—	(1)
	(f)	**1**	**3**
Hedging instruments:			
Profit (loss) from fair value adjustments		253	(237)
Loss (profit) transferred to the Separate Income Statements		(36)	100
Income tax effect		(52)	33
	(g)	**165**	**(104)**
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	—
Loss (profit) transferred to the Separate Income Statements		—	—
Income tax effect		—	—
	(h)	**—**	**—**
Total other components that will be reclassified subsequently to Separate Income Statements	**(i= f+g+h)**	**166**	**(101)**
Total other components of the Statements of Comprehensive Income	**(k= e+i)**	**188**	**(106)**
Total comprehensive income (loss) for the year	**(a+k)**	**(1,054)**	**(1,101)**

Statements of Financial Position

(million euros)		12/31/2024 (a)	12/31/2023 (b)	Variations (a-b)
Assets				
Non-current assets				
Intangible assets				
Goodwill		8,814	12,064	(3,250)
Intangible assets with a finite useful life		3,957	4,578	(621)
		12,771	**16,642**	**(3,871)**
Tangible assets				
Property, plant and equipment owned		**1,721**	**6,561**	**(4,840)**
Rights of use assets		**1,513**	**3,271**	**(1,758)**
Other non-current assets				
Investments		7,434	10,903	(3,469)
Non-current financial receivables arising from lease contracts		14	6	8
Other non-current financial assets		1,579	3,886	(2,307)
Miscellaneous receivables and other non-current assets		1,552	1,795	(243)
Deferred tax assets		299	406	(107)
		10,878	**16,996**	**(6,118)**
Total Non-current assets	**(a)**	**26,883**	**43,470**	**(16,587)**
Current assets				
Inventories		148	198	(50)
Trade and miscellaneous receivables and other current assets		3,139	4,561	(1,422)
Current income tax receivables		48	42	6
Current financial assets				
Current financial receivables arising from lease contracts		26	68	(42)
Securities other than investments, other financial receivables and other current financial assets		446	1,032	(586)
Cash and cash equivalents		820	598	222
		1,292	**1,698**	**(406)**
Total Current assets	**(b)**	**4,627**	**6,499**	**(1,872)**
Total Assets	**(a+b)**	**31,510**	**49,969**	**(18,459)**

(million euros)		12/31/2024 (a)	12/31/2023 (b)	Variations (a-b)
Equity and liabilities				
Equity				
Share capital issued		11,677	11,677	—
less: Treasury shares		(53)	(57)	4
Share capital		**11,624**	**11,620**	**4**
Additional paid-in capital		**—**	**575**	**(575)**
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year		**479**	**961**	**(482)**
Total Equity	**(c)**	**12,103**	**13,156**	**(1,053)**
Non-current liabilities				
Non-current financial liabilities for financing contracts and others		7,365	18,094	(10,729)
Non-current financial liabilities for lease contracts		644	2,710	(2,066)
Employee benefits		163	472	(309)
Deferred tax liabilities		—	—	—
Provisions		199	254	(55)
Miscellaneous payables and other non-current liabilities		699	1,048	(349)
Total Non-current liabilities	**(d)**	**9,070**	**22,578**	**(13,508)**
Current liabilities				
Current financial liabilities for financing contracts and others		4,825	5,983	(1,158)
Current financial liabilities for lease contracts		231	467	(236)
Trade and miscellaneous payables and other current liabilities		5,281	7,785	(2,504)
Current income tax payables		—	—	—
Total Current Liabilities	**(e)**	**10,337**	**14,235**	**(3,898)**
Total Liabilities	**(f=d+e)**	**19,407**	**36,813**	**(17,406)**
Total Equity and Liabilities	**(c+f)**	**31,510**	**49,969**	**(18,459)**

Statements of Cash Flows

(million euros)		2024	2023
Cash flows from operating activities:			
Profit (loss) for the year from continuing operations		(576)	432
Adjustments for:			
Depreciation and amortization		1,647	1,638
Impairment losses (reversals) on non-current assets including investments		326	161
Net change in deferred tax assets and liabilities		32	90
Losses (gains) realized on disposals of non-current assets (including investments)		(19)	31
Change in employee benefits		(10)	(262)
Change in inventories		(12)	16
Change in trade receivables and other net receivables		219	12
Change in trade payables		—	60
Net change in income tax receivables/payables		(5)	(8)
Net change in miscellaneous receivables/payables and other assets/liabilities		(193)	161
Cash flows from (used in) operating activities	**(a)**	**1,409**	**2,331**
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(920)	(1,031)
Contributions for plants received		7	759
Acquisition of control of companies or other businesses, net of cash acquired		—	—
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of		4,169	—
Acquisitions/disposals of other investments		(53)	(33)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)		2,504	(1,330)
Proceeds from sale/repayments of intangible, tangible, rights of use assets and other non-current assets		271	(1)
Cash flows from (used in) investing activities	**(b)**	**5,978**	**(1,636)**
Cash flows from financing activities:			
Change in current financial liabilities and other		(246)	465
Proceeds from non-current financial liabilities (including current portion)		2,000	3,110
Repayments of non-current financial liabilities (including current portion)		(7,945)	(3,734)
Changes in hedging and non-hedging derivatives		(85)	91
Share capital proceeds/reimbursements		—	—
Dividends paid		—	—
Changes in ownership interests in subsidiaries		—	—
Cash flows from (used in) financing activities	**(c)**	**(6,276)**	**(68)**
Cash flows from (used in) discontinued operations/non-current assets held for sale	**(d)**	**(1,174)**	**(1,251)**
Aggregate cash flows	**(e=a+b+c+d)**	**(63)**	**(624)**
Net cash and cash equivalents at beginning of the year	**(f)**	**(265)**	**359**
Net cash and cash equivalents at end of the year	**(g=e+f)**	**(328)**	**(265)**

Purchases of intangible, tangible and rights of use assets

(million euros)	2024	2023
Purchase of intangible assets	(511)	(546)
Purchase of tangible assets	(476)	(527)
Purchase of right of use assets	(248)	(117)
Total purchases of intangible, tangible and rights of use assets on an accrual basis	**(1,235)**	**(1,190)**
Change in payables arising from purchase of intangible, tangible and rights of use assets	315	159
Total purchases of intangible, tangible and rights of use assets on a cash basis	**(920)**	**(1,031)**

Additional Cash Flow Information

(million euros)	2024	2023
Income taxes (paid) received	143	104
Interest expense paid	(1,597)	(1,674)
Interest income received	645	749
Dividends received	15	1,087

Analysis of Net Cash and Cash Equivalents

(million euros)	2024	2023
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	598	1,375
Bank overdrafts repayable on demand	(863)	(1,016)
	(265)	**359**
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	820	598
Bank overdrafts repayable on demand	(1,148)	(863)
	(328)	**(265)**

The additional disclosures required by IAS 7 are provided in the Note "Net financial debt" to these Separate Financial Statements of TIM S.p.A. as of December 31, 2024.

AFTER LEASE INDICATORS - TIM S.p.A.

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

TIM S.p.A. LIKE-FOR-LIKE EBITDA AFTER LEASE

(million euros)	2024	2023	Changes	
			absolute	%
Like-for-like ORGANIC EBITDA	**1,849**	**1,737**	**112**	**6.4**
Lease payments	(164)	(153)	(11)	7.2
Like-for-like EBITDA After Lease (EBITDA-AL)	**1,685**	**1,584**	**101**	**6.4**

ADJUSTED NET FINANCIAL DEBT AFTER LEASE TIM S.p.A.

(million euros)	12/31/2024	12/31/2023	Change
Adjusted Net Financial Debt	**9,915**	**21,149**	**(11,234)**
Leases	(835)	(3,103)	2,268
Adjusted Net Financial Debt - After Lease	**9,080**	**18,046**	**(8,966)**

EQUITY FREE CASH FLOW AFTER LEASE TIM S.p.A.

(million euros)	2024	2023	Change
EQUITY FREE CASH FLOW	**(540)**	**1,064**	**(1,604)**
Lease contract payments (principal share)	(263)	(375)	112
EQUITY FREE CASH FLOW AFTER LEASE	**(803)**	**689**	**(1,492)**

RECONCILIATION OF CONSOLIDATED EQUITY

(million euros)	Profit (loss) for the year		Equity at 12/31	
	2024	2023	2024	2023
Equity and Profit (Loss) for the year of TIM S.p.A.	**(1,242)**	**(995)**	**12,103**	**13,156**
Equity and Profit (Loss) for the year of consolidated companies, net of the share attributable to Non-controlling interest	751	1,839	12,267	18,034
Consolidation adjustments on the Equity and Profit (Loss) for the year attributable to Owners of the Parent:				
elimination of carrying amount of consolidated investments	—	—	(23,793)	(32,498)
impairment losses of consolidated companies included in the results of parent companies	284	160	9,979	9,711
elimination of goodwill recognized in Parent financial statements	—	—	(8,814)	(12,064)
recognition of positive differences arising from purchase of investments, of which:				
- goodwill	(52)	—	10,856	16,992
- allocation of the purchase price to the net assets acquired and liabilities assumed in business combinations	—	—	9	9
measurement of hedging derivatives at Group level	(20)	(1)	52	227
effect of elimination of carrying amount of Parent's shares held by TIM (formerly Telecom Italia Finance)	—	—	56	56
intra-group dividends	(377)	(2,443)	—	—
change in share of losses (profits) from sale of investments	27	(7)	(528)	(32)
other adjustments	19	6	(230)	55
Equity and Profit (Loss) for the year attributable to Owners of the Parent	**(610)**	**(1,441)**	**11,957**	**13,646**
Equity and Profit (Loss) for the year attributable to Non-controlling interest	246	334	1,404	3,867
Equity and Profit (Loss) for the year in the Consolidated Financial Statements	**(364)**	**(1,107)**	**13,361**	**17,513**

CORPORATE BODIES AS OF DECEMBER 31, 2024

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.

At December 31, 2024, 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 December 31, 2024:

- **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

For more details, please refer to the 2024 TIM Group Sustainability Statement section, **[21..], [22..], [23..], [G1..], [26..].**

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.

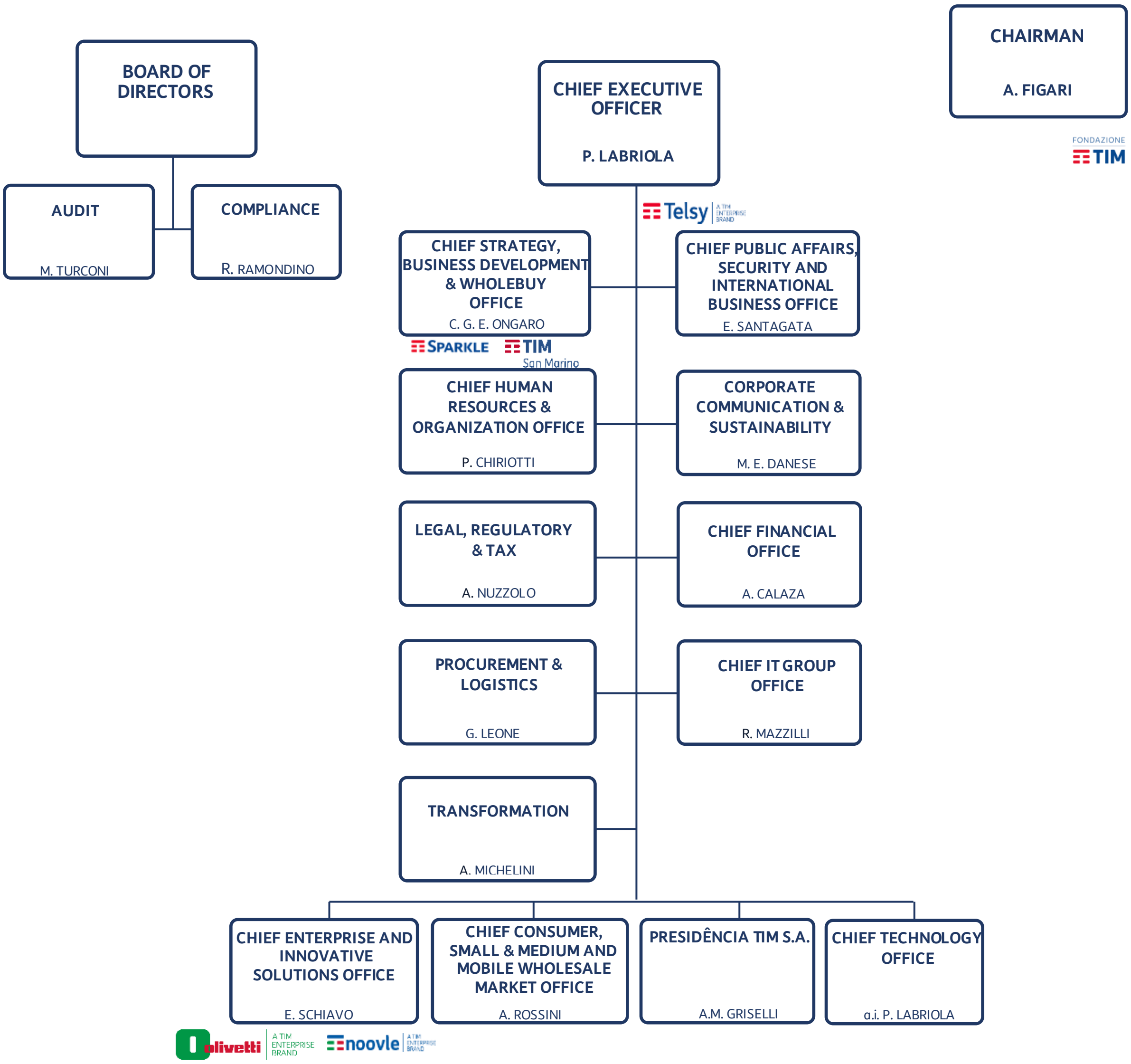
Executive responsible for preparing the corporate accounting documents

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 AS AT DECEMBER 31, 2024



For more details, please refer to the 2024 TIM Group Sustainability Statement section, [66 a]

SUSTAINABILITY REPORTING

PURSUANT TO ITALIAN LEGISLATIVE DECREE 125/24

CONTENTS

SUSTAINABILITY REPORT PREPARED IN ACCORDANCE WITH LEGISLATIVE DECREE 125/24

1. GENERAL INFORMATION

Basis for preparation

Disclosure Requirement BP-1 – General basis for preparation of sustainability statements

[5 a]: The **TIM Group's Sustainability Report is drawn up in accordance with the Corporate Sustainability Reporting Directive (CSRD)**, transposed into Italian law by Legislative Decree 125/2024. The reporting is carried out in line with the European Sustainability Reporting Standards (ESRS) and includes in the "Environment" section the information required pursuant to Article 8 of the EU Taxonomy and related delegated acts. The TIM Group's Sustainability Report was prepared on a consolidated basis and was approved by the Board of Directors ("BoD") on March 5, 2025.

[5 b i, ii]: The TIM Group's Sustainability Report presents data and information relating to the company TIM S.p.A. and its subsidiaries consolidated on a line-by-line basis as of December 31, 2024, as presented in the TIM Group's Consolidated Financial Statements.

The 2024 Sustainability Reporting takes into account the spin-off of the NetCo business into FiberCop S.p.A. and Optics BidCo S.p.A.'s purchase of TIM S.p.A.'s entire stake in FiberCop on July 1, 2024. In light of the above, NetCo's performance for the first six months of 2024 is reported in Section 5 of this Report, as referenced in the 'Metrics and Targets' paragraph of each chapter.

The scope of the Sustainability Reporting coincides with that of the Group's consolidated financial statements, with the specifics noted below.

Perimeter and calculation methods - Environment

For the environmental data, starting from the boundary of the consolidated financial statements of the Domestic BU's half-year 2024, as a result of the boundary changes that occurred in July 2024, companies that met at least one of the following significance criteria were included:

- 0.5% of total turnover (€000);
- 0.5% of the total number of employees (no.);
- 0.1% of total expenditure on energy and fluids (€000).

Based on these criteria, the following 11 Group companies are included in the environmental perimeter: TIM S.p.A., TIM Sparkle Italia, TIM Sparkle Grecia, TIM Sparkle Turchia, Panama Digital Gateway, Noovle S.p.A., Olivetti S.p.A., Telecontact Center S.p.A., Telsy S.p.A., TIM Retail S.r.l., TIM S.A.

In the document, the term Domestic BU (or Domestic) is used in some disclosure requirements regarding the environment in order to refer to companies in the environmental perimeter excluding TIM S.A.

Perimeter and calculation methods - Social

For workforce data, all Group companies in which at least 1 employee works are considered, in a similar way to the consolidated financial statements, i.e: TIM S.p.A., TIM Sparkle Italia, Noovle S.p.A., Noovle Malta, Olivetti S.p.A., Telecontact Center S.p.A., Telsy S.p.A., TIM Retail S.r.l, TI Trust Technologies, TS Way, QTI S.r.l., Mindicity, le società estere controllate da TIM Sparkle, TIM San Marino, Telefonia Mobile Sammarinese, TIM S.A., TIM Finance and TIM Capital.

In the document, the term Domestic BU (also Domestic) is used in some ESRS disclosure requirements dealing with "Social" topics to refer to the companies in the perimeter mentioned above, excluding TIM S.A., TIM Finance and TIM Capital.

For some specific datapoints related to the ESRS S1 "Own workforce" reporting requirement, separate data evidence is required by country according to a specific materiality criterion (50 or more employees representing at least 10% of the total number of employees in the Group). In these cases, the application of the criterion reports to the Group companies present in Italy and Brazil. The companies included in the "Italy" perimeter are: TIM S.p.A., TIM Sparkle Italia, Noovle S.p.A., Olivetti S.p.A., Telecontact Center S.p.A., Telsy S.p.A., TIM Retail S.r.l, TI Trust Technologies, TS Way, QTI S.r.l., Mindicity. The company considered in the "Brazil" perimeter is TIM S.A.

[5 c]: TIM Group Sustainability Reporting provides a view of the value chain, including, where possible, the actors involved both upstream and downstream.

This approach is first used in the materiality analysis of impacts, risks and opportunities (hereafter also referred to as "IRO") where it is specifically indicated whether these refer to TIM's activities or its value chain (cf. "Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model). In addition, some metrics already integrate value chain information, such as in the calculation of Scope 3 greenhouse gas emissions.

As for policies, objectives and initiatives, whenever they involve actors in the value chain, this aspect is explained in the corresponding sections.

For other metrics related to the value chain, the TIM Group has chosen to postpone the preparation of a data collection plan until later years, in line with the phase-ins required by ESRS.

[5 d]: In the Sustainability Report, the TIM Group has not omitted any sensitive information regarding patents, intellectual property, know-how or innovation results to protect its competitive advantages.

[5 e]: The TIM Group communicates all sensitive information that may influence the market or its shareholders, such as financial news, substantive changes or other issues that are under negotiation or development and that are not yet defined. Therefore, it does not take advantage of the exemption from reporting information concerning upcoming developments or issues under negotiation.

Disclosure Requirement BP-2 – Disclosure in relation to specific circumstances

[9 a, b]: When reporting information related to sustainability issues, the TIM Group considers the time horizons that are in line with those adopted in the Enterprise Risk Management field. Specifically:

- short term: 1 year;
- medium term: from the end of the short-term reference period up to three years;
- long term: more than three years.

This choice differs from the time horizons defined by ESRS 1- 6.4 "Definition of short, medium and long term for reporting purposes," but reflects the reference period adopted in the Group's financial statements and strategic planning.

[10 a, b, c, d], [11 a], [11 b i,ii]: On July 1, 2024, TIM S.p.A. completed the spin-off of the NetCo business into FiberCop S.p.A., which was already operating the fiber and copper secondary network. At the same time, Optics BidCo S.p.A. purchased TIM S.p.A.'s entire stake in FiberCop. A transaction agreement governed the contractual terms between the new entity “NetCo” (FiberCop S.p.A.) and TIM S.p.A.

As a result of this transaction, **Sustainability Reporting considers TIM Group activities excluding NetCo,** as if the separation had taken place on January 1. To represent 2024 as the base year:

- NetCo’s environmental and social metrics for the period from January 1 to June 30, 2024 were identified and unbundled;
- estimates were made to identify TIM consumption data related to buildings used by TIM staff and colocation infrastructure, for which detailed data were not available from the external owner.

The Group then used estimates for metrics related to waste for disposal, average employee size by gender by contract type, and average bill payment times. The forward-looking information was developed from assumptions and estimates regarding future events and possible actions that the Group may take. Further details on the metrics are covered in the reference paragraphs. Furthermore, with regard to the calculation of Scope 3 GHG emissions presented in Chapter "2. Environmental Information", it should be noted that estimated data related to activities carried out along the TIM Group’s value chain (both upstream and downstream) have been used, and that these calculations are based on assumptions and third-party sources.

In addition, where permitted by Appendix C of ESRS 1, the Group has used a phased-in process for implementing certain metrics that require additional data or complex collection systems (phase-in) with a commitment to full coverage by the regulatory deadlines.

Financial resources in terms of significant operating expenditures (OpEx) and capital expenditures (CapEx) are reported in the description of the actions. For some actions, however, it is not possible to provide such values due to the non-unique nature of the expenses (indirect costs, shared costs, intercompany costs). In addition, for each share, the exact detail between OpEx and CapEx and individual items in the TIM Group’s consolidated income statement is not available, although, based on the nature of the shares, the expenses can be traced to the following notes to the consolidated financial statements.

CapEx

No. 5 Intangible assets:

- Industrial patents and intellectual property rights
- Concessions, licenses, trademarks and similar rights
- Intangible assets with a finite useful life
- Work in progress and advance payments

No. 6 Tangible assets:

- Land
- Buildings (civil and industrial)
- Plant and equipment
- Manufacturing and distribution equipment
- Other
- Construction in progress and advance payments

OpEx

No. 28 Purchases of materials and services:

- Purchase of raw materials and goods
- Costs of services
  - Revenues due to other TLC operators
  - Costs for telecommunications network access services
  - Commissions, sales commissions and other selling expenses
  - Advertising and promotion expenses
  - Professional and consulting services
  - Energy consumption
  - Maintenance costs
  - Outsourcing costs for other services
  - Mailing and delivery expenses for telephone bills, directories and other materials
  - Other service expenses
- Lease and rental costs:
  - Rent and leases
  - TLC circuit subscription charges
  - Other lease and rental costs

No. 29 Employee benefits expenses:

- Ordinary employee expenses:
  - Wages and salaries
  - Social security contributions
  - Other employee benefits
- Costs and provisions for agency contract work
- Other expenses for employees and other labor-related services rendered:
  - Expenses for corporate restructuring and termination benefit incentives
  - Other

In this regard, it is specified that the Group has initiated a more specific data collection and monitoring process for the upcoming reporting cycles.

[13 a], [14c]: Sustainability Reporting considers TIM Group's activities excluding NetCo, i.e., as if the transaction to contribute the secondary fiber and copper network to FiberCop had taken place on January 1. The aim is to establish a new reference base year to evaluate the achievement of the objectives of the Business Plan. NetCo's significant activities for the first half of the year are included in a specific section.

The significant change in the operating perimeter, both in terms of the size of infrastructure assets and personnel, no longer allows for the comparison of emission performance with previous years, requiring a new baseline to monitor progress. Because of this discontinuity within the document **it is not possible to provide comparative information on activities with respect to previous years.**

In addition, the development of a new Transition Plan is required, which will involve re-validation of the environmental objectives by SBTI, as required by the corporate climate action organisation's recommendations in similar situations (for details see the E1-1 disclosure requirement "Transition plan for climate change mitigation").

[15]: The TIM Group includes in its Sustainability Report information required by other generally accepted regulations or provisions, in addition to those prescribed by the ESRS and, in the case of partial application of other principles, provides precise references to the paragraphs applied.

[16]: When TIM includes information by reference, it indicates the reference to the ESRS disclosure requirement or specific elements (e.g. see ESRS disclosure requirement 2 GOV-3 "Integration of sustainability-related performance in incentive schemes").

Governance

Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies

[21 a]: On April 23, 2024, the Shareholders' Meeting appointed the **Board of Directors** for the three-year period 2024-2026, consisting of **an Executive Director** (the CEO, who is also given the position of General Manager) **and eight non-executive directors** (including the Chairman of the Board of Directors).

As of December 31, 2024, the Board of Directors maintains the above-mentioned structure.

The Shareholders' Meeting also renewed the **Board of Statutory Auditors**, made up of **five standing auditors**, including the Chair, and 4 alternate auditors.

In the appointment of the Statutory Auditors, Article 17 of the Articles of Association was applied, which provides for the presence of five standing auditors and of four alternate auditors.

As of December 31, 2024, the Board of Statutory Auditors maintains the above-mentioned structure.

[21 b]: The TIM Group does not provide for trade union representation within the administrative, management and supervisory bodies.

[21 c]: The members of the Board of Directors have adequate skills in the sector and in the geographical areas in which the company operates.

In view of the Board's renewal, an orientation to shareholders was published on January 18, 2024, stressing the importance of selecting high-profile candidates.

The table below summarizes the composition and expertise of the Board members, which are cross-cutting to the sustainability issues and relevant IROs that emerged from the double materiality analysis, particularly with regard to digital technologies and business conduct.

[21 c]: Composition and responsibilities of the Board of Directors

	Age	Languages	Digital TLC Technology	Finance (M&A) Risk Audit	Corporate Governance Legal	Management experience in other sectors	Experience as a director in listed companies	International experience
Domitilla Benigni	50-60	IT-EN	X				X	X
Paola Camagni	50-60	IT-EN-FR		X			X	
Federico Ferro Luzzi	50-60	IT-EN			X		X	X
Alberta Figari	>60	IT-EN			X		X	X
Paola Giannotti De Ponti	>60	IT-EN-FR-ES		X		X	X	X
Giovanni Gorno Tempini	>60	IT-EN		X			X	X
Pietro Labriola	50-60	IT-EN-PT	X				X	X
Umberto Paolucci	>60	IT-EN	X			X	X	X
Stefano Siragusa	<50	IT-EN	X			X	X	X

The following table summarizes the competency matrix of the members of the Board of Statutory Auditors. The Board of Statutory Auditors periodically evaluates the professional requirements of its members. In 2024, the self-assessment confirmed that the composition of the supervisory body is balanced and diversified in terms of professional skills and training.

[21 c]: Composition and responsibilities of the Board of Statutory Auditors

	Age	Languages	Digital TLC Technology	Finance (M&A) Risk Audit	Corporate Governance Legal	Management experience in other sectors	Experience as a director in listed companies	International experience
Francesco Fallacara	50-60	IT-EN		X	X			X
Anna Doro	50-60	IT-EN		X	X			X
Massimo Gambini	>60	IT-EN		X	X			X
Mara Vanzetta	50-60	IT-EN		X	X			X
Francesco Schiavone Panni	>60	IT-EN		X	X			X

[21 d]: In the selection of members of the TIM Group's Board of Directors and Board of Statutory Auditors, any form of discrimination in terms of ethnicity, nationality, country of origin, gender, sexual orientation, religion, political opinion or other nature is excluded. The Group actively promotes the presence of women on the Board to ensure more balanced governance and an appropriate variety of perspectives and skills among members. In addition, in the appointment of the Directors, Article 9.1 of the Articles of Association was applied, which provides for the presence of representatives of the least represented gender in an amount equal to at least two-fifths of the total. Indeed, the female representation on the Board consists of four members; the male representation is five.

In 2024, the **Board of Directors of the TIM Group** was made up of **44% women** and 56% men. As for the Board of Statutory Auditors, the female composition is 40%, while the male composition is 60%. Of the five Standing Auditors, three are male and two are female, and of the four Alternate Auditors, two are male and two are female.

[21 e]: In the TIM Group Board of Directors, **67% of the directors** (i.e., 6 out of 9) **have the independence requirement**. In particular, the Directors Benigni, Camagni, Ferro Luzzi, Figari, Giannotti De Ponti and Paolucci are independent pursuant to Article 148 of the TUF and the Corporate Governance Code; the Director Siragusa qualifies as independent pursuant to Article 148 of the TUF.

[22 a]: The Board of Directors plays a role of strategic guidance and supervision, pursuing the main objective of creating value for shareholders in the medium-long term, also taking into account the legitimate interests of the other stakeholders, with a view to the sustainability of the business. In carrying out its role, the BoD is supported by **four board committees** with advisory, proposal, monitoring and investigative functions: the **Control and Risk Committee, the Nomination and Remuneration Committee, the Related-Parties Committee and the Sustainability Committee.** Each Committee has its own regulations that describe the composition and methods of appointment of the members and operating rules.

The Sustainability Committee, established in April 2021 and chaired by the Chair of the Board of Directors, oversees positioning, objectives, processes and initiatives in the field of environmental, social and governance (ESG) sustainability, interacting with:

- the Nomination and Remuneration Committee, for the inclusion of ESG objectives in the Company's remuneration policy as well as for the adoption of measures to promote equal treatment and opportunities between genders within the company;
- the Control and Risks Committee for the analysis of double materiality, namely the ESG impacts, risks and opportunities material to the company based on the Sustainability Report.

The Board of Statutory Auditors exchanges material information with the Control and Risks Committee and with the Sustainability Committee for the performance of its tasks. This interaction is also functional to the activity of verifying the consistency of the Sustainability Report with respect to the regulatory provisions of reference, strategic objectives and company policies indicated in the business plans.

The Board of Statutory Auditors ensures that the Sustainability Report contains information regarding the impact of the company's activities on the environment, people and governance, and the way in which the risks and opportunities deriving from sustainability issues may affect the company's economic and financial performance. To this end, the Chairman of the Board of Statutory Auditors, or another designated Auditor, participates in the work of the Control and Risk Committee and other Board committees, with the right for other Auditors to attend meetings.

The integration of sustainable practices into business operations is entrusted to the Corporate Communication & Sustainability Department, reporting directly to the Chief Executive Officer. Within this structure, the "Sustainability" function defines, in collaboration with the competent business functions, the governance and coordination of the Group's ESG Plan and related targets, social and environmental sustainability initiatives, draws up the Sustainability Reporting and oversees the sustainability indices/ratings.

Within the Group, TIM S.A. also has its own governance structure with four board committees to support the Board of Directors.

Sustainability issues are managed by the Corporate Communication & Sustainability Department and, at the strategic level, by the ESG Committee, which interacts with the Compensation Committee and the Audit and Risk Committee of the Brazilian subsidiary.

[22 b]: **TIM's System of Internal Control and Risk Management (ICRMS)** is fundamental to the Group's organization. It includes various actors working in a coordinated way according to their responsibilities. Composed of rules, procedures, and organizational structures, the SCIGR identifies, measures, manages, and monitors major risks, ensuring sound management consistent with the company's objectives, in accordance with the TIM Group Code of Ethics and Conduct and the Self-Regulatory Principles.

The ICRMS is divided into **three levels of control** and is applied at a Group level, taking into account specific, individual operational aspects:

- **the first level** consists of management that identifies, monitors and evaluates impacts, risks and competence opportunities, defines the mitigation actions and ensures the proper conduct of Operations. In the ESG field, the Sustainability function identifies and assesses the extent of relevant sustainability impacts, risks and opportunities with the Risk Management, Compliance and Finance functions;
- **the second level** is represented by the Enterprise Risk Management, Health & Safety, and Compliance Departments, which define, evaluate, and monitor risk measurement methodologies and provide support to management in defining and mitigating risks;
- **the third level of control** is provided by the Audit Department, which independently and impartially assesses the adequacy of the design of the operation of the control system, including through audit activities on the first and second levels.

The Board of Directors of TIM plays a governance role within the internal control system, considering its function of steering and assessing the adequacy of the System. Specifically:

- it defines the Internal Control and Risk Management System Guidelines;
- it approves the Group's Code of Ethics and Conduct and the Organization, Management and Control Model pursuant to Legislative Decree 231/01.

- it establishes the Control and Risk Committee, comprising Board Members, that supports the Board in carrying out assessments and taking decisions relating to the ICRMS, as well as other committees (Nomination and Remuneration Committee, Sustainability Committee and Related Parties Committee) with advisory functions, described in TIM's Corporate Governance Principles and in the specific regulations;
- it verifies the appropriateness, effectiveness and proper functioning of the ICRMS, so that the main business risks, including those related to material issues, are correctly identified, monitored and managed over time. To this end:
  - it assesses the adequacy and effectiveness of the ICRMS each half-year, with respect to the characteristics of the Company and the risk profile undertaken, also considering the outcomes of the assessment carried out by the Audit Department based on contributions received from the other control functions (Assurance Providers);
  - it defines the level and type of risk that the company is able to assume, in line with long-term strategic objectives (so-called Risk Appetite).

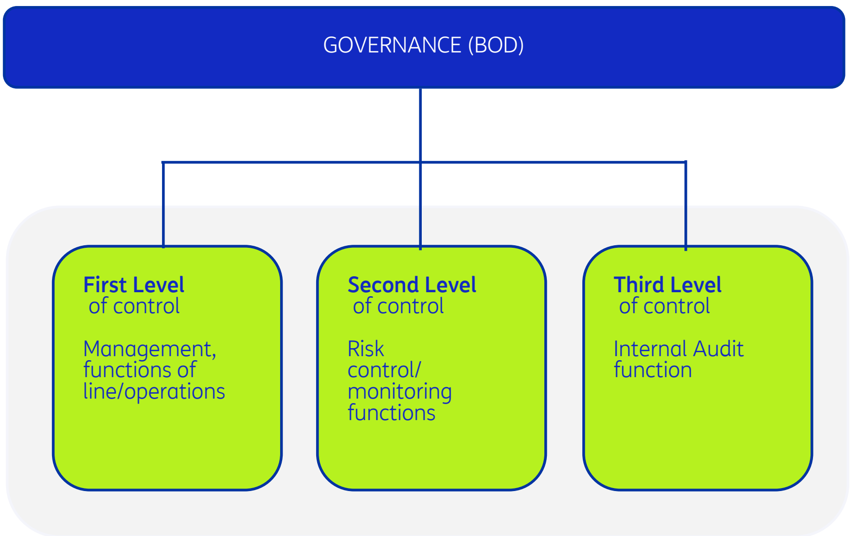
Management of the ICRMS is entrusted to the Chief Executive Officer, the Financial Reporting Officer and the Sustainability Officer, each within their respective areas of responsibility, to ensure the adequacy and functionality of the System from a risk-based perspective.

In September 2022, TIM's Board of Directors created the **ICRMS Steering Committee**, headed by the CEO, to identify, define, and monitor initiatives to improve the company's Internal Control and Risk Management System, based on an integrated analysis of the activities carried out by the control functions and other corporate functions.

On September 27, 2023, the TIM Board of Directors approved, after the opinion of the Control and Risks Committee, the "**Guidelines of the TIM Group's Internal Control and Risk Management System**" ("ICRMS Guidelines") that define the architecture of the ICRMS, the main corporate roles and responsibilities in the field of ICRMS, the coordination methods and information flows between the parties involved, the periodic evaluation process of TIM's ICRMS.

The Board of Statutory Auditors plays a key role in ensuring the effectiveness of the ICRMS, in line with the Corporate Governance Code. It receives information necessary to carry out its supervisory duties, including Audit Reports and periodic reports from the Audit Department, and has the authority to request the Audit Department to prepare timely reports on events of special significance.

The TIM Group's ICRMS can be summarized by the following diagram:



[22 d] [G1 GOV-1, 5 a]: The TIM Group Board of Directors guides, coordinates, monitors and reviews corporate strategy and governance to create long-term value. It oversees compliance with the ethical and social responsibility principles of the Code of Ethics and Conduct, promoting a culture based on integrity, transparency and respect for human rights, and ensuring compliance with applicable regulations.

Here are some of its main functions:

- it defines the corporate governance system and the structure of the Group;
- it sets the company's strategic direction by reviewing and approving the Group's strategic, industrial, financial and sustainability plans, prepared by the CEO, and periodically monitoring their implementation;
- it analyzes business and financial performance to ensure the Company's profitability and sustainability, evaluating the management of the Group and strategic Subsidiaries, relying on information from the CEO and comparing results with planned results;

- it defines the guidelines of the Internal Control And Risk Management System, verifying its adequacy and operation, ensuring that key business risks are properly identified, monitored and managed;
- it periodically evaluates, with the support of the Sustainability Committee, the progress achieved with respect to the goals defined in the sustainability plan and proposes corrective actions if necessary;
- it approves, at least once a year and after consulting the Control and Risk Committee, the Plans of the Compliance and Audit Departments;
- it is responsible for transparency in financial and non-financial communications to investors;
- it appoints the members of the Supervisory Body pursuant to Legislative Decree 231/2001 ("231 Supervisory Body"), after hearing the opinion of the Control and Risk Committee and the Board of Statutory Auditors;
- it approves the Group's Code of Ethics and Conduct and the Organization, Management and Control Model pursuant to Legislative Decree 231/01.

Members of the administrative management and supervisory bodies possess adequate expertise in business conduct (see disclosure requirement GOV-1 paragraph 21c of this section).

[23 a, b]: The **five Directors on the Sustainability Committee** possess diverse skills and experience, ensuring cross-cutting coverage of sustainability issues and an effective assessment of the Company's relevant ESG impacts, risks and opportunities:

- **Alberta Figari:** Chair of the Board of Directors and Chair of TIM's Sustainability Committee, she has consolidated experience on board committees of listed groups including Assurazioni Generali S.p.A., where she served as Chair of the Control and Risks Committee and, for individual three-year terms, also the role of Chair of the Related Parties Committee and member of the Nomination and Remuneration Committee. These skills are crucial for monitoring sustainability issues, especially in financial risk management and regulatory compliance;
- **Pietro Labriola:** Chief Executive Officer and General Manager of the TIM Group since 2022, he has 30 years of expertise in the TLC sector first in TIM S.A. since 2015 as Chief Operating Officer and then since 2019 as a Director, acquiring a deep understanding of industrial and strategic dynamics related to digital transformation and environmental sustainability. Before joining TIM, Labriola worked at Infostrada, as business development and marketing director and held positions in Boston Consulting Group, Cable&Wireless and France Telecom;
- **Giovanni Gorno Tempini**: Chairman of the Board of Directors of Cassa Depositi e Prestiti (CDP) since October 24, 2019, he leads the integration of environmental, social and governance (ESG) sustainability principles into the institution's strategic and operational choices to create long-term value for society and communities. CDP's commitment to sustainability is formalized in the 2025-2027 ESG Plan, with goals for a fair and competitive ecological transition and for Italy's sustainable development. He is also a member of various committees and boards, including the Scientific Committee of the Aristide Merloni Foundation, the Board of Assonime, the General Council of AIFI, and the Board of ISPI. He has held positions as chairman of the "Technical Commission for Finance" of ABI and director of Borsa Italiana S.p.A.
- **Domitilla Benigni:** She has been General Manager since 2010, CEO since 2020 and shareholder of the company Elettronica S.p.A. Since June 2022 she has been a member of the Technical Scientific Committee of the National Cybersecurity Agency and since November of the same year she has been a member of the Technical Scientific Committee of the Center for Aeronautical Military Studies (CESMA). Her cybersecurity expertise supports the management of technology risks, including those related to data security and critical infrastructure;
- **Stefano Siragusa**: has held and holds positions of Director and President of listed and unlisted companies in the infrastructure, telecommunications and transport sectors including Sparkle, Inwit, Persidera, ENAV, Noovle, Saipem, Mermec, Marangoni, Metro 5 Milan. His experience in large infrastructure works and management of complex projects is essential for assessing the Group's environmental impacts and footprint reduction strategies.

To emphasize the Company's commitment to ESG issues, the Board of Directors of May 29, 2024 amended TIM's Principles of Self-Governance with respect to the composition of the Sustainability Committee, including the CEO among its members. The Corporate Communication & Sustainability Department is also expected to attend all Committee meetings.

Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

[26 a]: The Board of Directors is periodically informed about the impacts, risks and opportunities relevant to the Company, as well as the actions and policies adopted to address them, including through endoconsiliar committees such as the Audit and Risk Committee and the Sustainability Committee, which meet according to an annually established agenda.

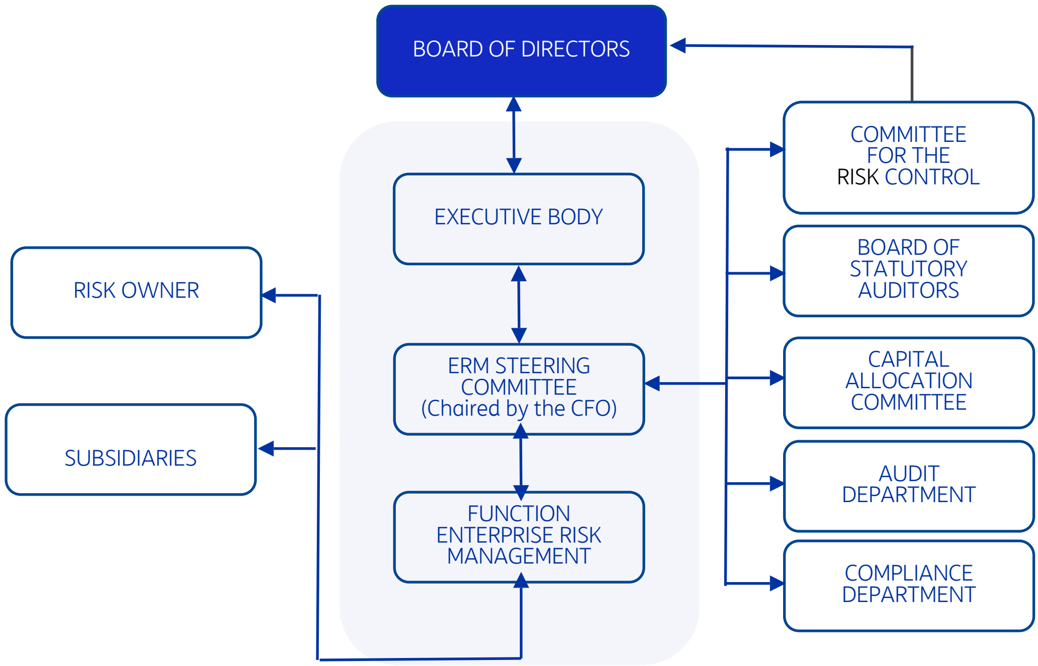
The Board of Statutory Auditors is also informed about these aspects, having access to all the documents and information necessary to carry out its supervisory work and participating in the work of the Board Committees.

With regard to sustainability issues, the outcome of the double-materiality analysis process, which identifies the impacts, risks and opportunities material to the Company, at the base of the construction of the Sustainability Reporting, is presented by the Corporate Communication & Sustainability function in a joint annual session with the Control and Risks Committee, the Sustainability Committee and the Board of Statutory Auditors. In 2024, the session took place on October 11. The outcome of the double materiality analysis was then presented to the Board of Directors on December 11, 2024.

[26 b, c]: The TIM Group's administrative, management and control bodies use the Enterprise Risk Management (ERM) process to quantify significant risks for the Company. This process supports management in identifying the strategies to be adopted, providing a picture of possible risk or opportunity scenarios.

The ERM process is continuous and involves all business functions (Risk Owners) participating in periodic Risk Assessments to update possible risk scenarios, including emerging ones. This approach allows maintaining proactive and up-to-date risk management, ensuring that the company is prepared to face any future challenges.

[26 b,c]: Main stakeholders involved in the ERM process



The ERM process is a fundamental strategic tool for risk management and for creating value for the Company. The model is aligned with international regulations and standards and makes it possible to identify, evaluate and manage risks in a homogeneous way within the Group, highlighting potential synergies between the actors involved in the evaluation of the Internal Control and Risk Management System (ICRMS).

The ERM process is integrated with strategic and operational planning processes and is designed to identify potential events that may affect business activity. The objective is to manage risk within acceptable limits without compromising the financial, operational and reputational stability of the company, ensuring the achievement of business objectives.

The **ERM process** involves several key activities:

- **identification and updating of the overall risk** portfolio in collaboration with the Risk Owners through analysis of the Business Plan and investment projects, monitoring of the macroeconomic and regulatory environment, and analysis of the risks to which company assets may be exposed;
- **quantitative assessment of risks**, both individually and from a portfolio perspective, taking into account possible correlations;
- supports management in **defining risk appetite and related tolerances** that are preliminarily validated by the Control and Risk Committee and subsequently approved by the Board of Directors;
- **definition and monitoring of risk mitigation plans**, with periodic updates to the Control and Risk Committee on the level of risk detected with respect to the approved Tolerances. This documentation is then submitted for final approval to the Board of Directors;
- **management of the flow of information to top management** and the bodies responsible for evaluating the ICRMS, producing the related supporting reports on a regular basis or at the request of the Supervisory Bodies;
- **periodic management of the ERM Steering Committee** to document and communicate to the respective Risk Owners the state of the Tolerances, in order to act promptly with appropriate remedial actions if necessary.

The risk management model takes an integrated and thoughtful approach to sustainability issues, considering economic, environmental, social, and governance (ESG) risks relevant to stakeholders according to the double materiality analysis.

Impacts identified through double materiality analysis are also integrated into business strategies, decision-making processes, and Enterprise Risk Management (ERM), ensuring that strategic decisions are informed by a comprehensive understanding of potential risks for responsible and sustainable governance.

For detailed evidence of ESG-relevant risks and opportunities see disclosure requirements IRO-1 "Description of processes to identify and assess relevant impacts, risks and opportunities", E1-IRO 1 "Description of processes to identify and assess material climate-related impacts, risks and opportunities", and E5 IRO-1 "Description of processes to identify and assess material impacts, risks and opportunities related to resource use and the circular economy".

For the list of impacts of the relevant risks and opportunities faced by the administration, management and control bodies or their related committees during the reference period, please refer to disclosure requirement SBM-3 "Significant impacts, risks and opportunities and their interaction with the strategy and the business model" in this section.

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

[29 a,b,c,d, e]: The **TIM Group's Report on the remuneration policy and compensation paid** is designed to support the achievement of the Company's strategic objectives and to focus on different business segments. This policy guarantees the necessary levels of competitiveness in the labor market and promotes the alignment of management interests with the goal of creating value for the company in the short and long term.

The Report on the remuneration policy and compensation paid adopts an appropriate balance of performance parameters of short-term and long-term incentive systems to achieve strategic objectives. The incentive systems include targets linked to financial performance and ESG (Environmental, Social, and Governance) goals derived from the three-year Business Plan.

ESG goals are part of the short-term and long-term variable compensation policy, demonstrating the Group's commitment to sustainability.

Since the Reports on Remuneration Policy and Compensation Paid for 2023 and 2024 were not approved by the respective Shareholders' Meetings of April 20, 2023 and April 23, 2024, the Report approved by the Shareholders' Meeting of March 2, 2022 was applied in 2024.

Short-term variable compensation in 2024 includes:

- a **gate objective of** an **economic and financial nature** consisting of the corporate indicator "TIM Group EBITDA". Achieving the minimum level of this indicator is a necessary condition for access to the prize. The weight and minimum level of the objective are differentiated by population cluster, with a gate percentage of 95% for the Chief Executive Officer and the Front Line and 90% for the Other Management;
- a **pay-out scale** used to determine the accrual of the target-related bonus, which is uniform for all recipients. Each objective is measured individually, allowing different combinations of levels of achievement of the objectives. The linear interpolation mechanism is used between the minimum (equal to 50%), target (equal to 100%) and maximum (equal to 150%) objective levels.
- **Function objectives** for a weight that varies depending on the different pools of the recipients;
- **ESG objectives** with a total weight of 22% divided into the following sub-objectives:
  - Customer Satisfaction Index with a 10% weighting
  - Employee Engagement, in the young employee segment with a 6% weighting
  - Gender Pay Gap, in the Middle Managers segment with a 6% weighting

The **Long-term variable compensation** includes a 2022-2024 stock option plan for the CEO, Top Management and a select number of managers with key roles. The approximately 140 target managers are distributed over three pay opportunity bands in relation to the contribution made to the company's strategic objectives; for each band, the number of option rights assigned to target is determined.

The Plan includes two indicators:

- **Economic-financial indicator**, with a weight of 70%, consisting of EBITDA — CapEx accumulated over the three-year period (reported values);
- **ESG indicator**, with a weight of 30% divided into two sub-objectives:
  - % of the presence of women in positions of responsibility at the end of 2024, where positions of responsibility mean positions formalized in the business organization;
  - % renewable energy of the total energy consumed in 2024, defined as MWh from self-produced and purchased renewable sources divided by total MWh consumed.

The level of achievement of the indicators determines the accrual of option rights over an interval that ranges from -10% to +10% with respect to the target number allocated per bracket.

The Report on Remuneration Policy and Compensation Paid is approved by the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee. For the ESG component, the Sustainability Committee is also involved.

In **2025**, the BoD at its meeting on March 5, 2025 gave a favorable opinion for the **ESG component** of the short-term[1] variable compensation plan with a total weight of 22% as follows:

- Environment: number of data centers certified according to the European taxonomy (Italy);
- Social: women hired out of total hired (Group);
- Governance: % detractor at 4Q 2025.

[E1 GOV-3, 13]: Climatic aspects are taken into account in the compensation of the Chief Executive Officer and Executives with Strategic Responsibilities (DRS) through the "Stock Options" Long-Term Incentive Plan 2022-2024. The plan includes a target related to emission reduction and concerning the percentage increase in the use of renewable energy. The performance parameter is defined as the ratio between renewable electricity and the total electricity consumed in the 2024 financial year with a target value of 80%.

Disclosure Requirement GOV-4 – Statement on due diligence

[30], [32]: The due diligence is an essential process that allows the TIM Group to evaluate and manage the risks and opportunities related to its business and its value chain, ensuring that the company operates in a responsible and sustainable manner, complying with international regulations and standards. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the United Nations Guiding Principles on Business and Human Rights are the tools that outline the due diligence process and that form the basis of the Group's activities.

The table below provides a summary of the main aspects related to the due diligence referred to in the Sustainability Report.

[30], [32]: Statement on due diligence

Main aspects of due diligence	Reference Paragraphs of the Sustainability Report
Embedding of due diligence in governance, strategy, and the business model	• Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies; • Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes; • Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with the business strategy and model (including application requirements related to specific sustainability issues in the relevant ESRS E1-S1-S2-S3-S4)
Engagement of stakeholders in due diligence	• ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues • Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies • Disclosure Requirement SBM-2 – Interests and views of stakeholders • Disclosure Requirement IRO-1 - Description of the process for identifying and evaluating material impacts, risks and opportunities (including application requirements related to specific sustainability issues in the relevant ESRS E1-E5)
Identification and assessment of impacts and risks	• Disclosure Requirement IRO-1 - Description of the process for identifying and evaluating material impacts, risks and opportunities (including application requirements related to specific sustainability issues in the relevant ESRS E1-E5); • Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with the business strategy and model (including application requirements related to specific sustainability issues in the relevant ESRS E1-S1-S2-S3-S4)
Actions to address negative impacts and risks	• ESRS 2 MDR-A - Actions and resources related to material sustainability issues; • Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies; • Disclosure Requirement E5-2 – Actions and resources in relation to resource use and circular economy; • Disclosure Requirement S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; • Disclosure Requirement S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions; • Disclosure Requirement S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions; • Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
Monitoring and reporting of actions to address negative impacts and risks	• Disclosure requirement MDR-T - Monitoring the effectiveness of policies and actions through targets; • Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation; • Disclosure requirement S1-5 - Targets related to managing significant impacts, enhancing positive impacts as well as risks and opportunities

[1] The 2025 remuneration policy is to be approved by the next Shareholders' Meeting and will also include ESG goals in the long-term plan. If not approved, the targets approved with the report of 2022 will apply.

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

[36 a, b]: The Corporate Sustainability Reporting Directive introduces the position of the Sustainability Reporting Manager as the person responsible for the accuracy, reliability and compliance with standards of the information contained in the Sustainability Report.

On December 11, 2024, the Board of Directors appointed **the Head of the Corporate Communication & Sustainability Department** Maria Enrica Danese as the **Sustainability Reporting Manager**, with the task of certifying, together with the Managing Director, that the reporting is prepared in accordance with the reporting standards under the Law.

In 2024 TIM also adjusted its internal control process by implementing an "**Internal Control System on Sustainability Reporting" ("SCIRS")** to support the certification by the Sustainability Reporting Officer.

The SCIRS Model helps to ensure the reliability and credibility of the Sustainability Reporting, based on the correct application of the Principles of relevance, comparability, verifiability, adaptability and faithful representation of information. TIM has prepared guidelines with the methodological references and responsibilities of the SCIRS and has defined a first set of controls associated with risks on sustainability disclosures.

To assess and prioritize risks in Sustainability Reporting, the SCIRS draws inspiration from the Committee of Sponsoring Organizations of the Treadway Commission (CoSO Report) framework and the March 2023 guidance "Achieving Effective Internal Control of Sustainability Reporting (ICSR)".

The **SCIRS Model** is divided into the following phases:

- **definition of the scope of analysis** based on the risk/materiality analysis;
- **carrying out Entity Level Controls** (ELC) across the entire organization or on a single company in the group to ensure effective oversight of business risks and promote compliance with policies, procedures and regulations;
- **carrying out general controls on information systems** (Information Technology General Controls - ITGC) to ensure the reliability, security and integrity of the IT systems that support business processes and information reporting;
- **performing Process Level Controls** (PLCs) to ensure the relevance, faithful representation, comparability, verifiability, and understandability of information and operations performed within business processes;
- **execution of tests** and issuance of certificates;
- **independent audits;**
- assessment and **management** of control deficiencies **and remediation plan**;
- **Final Certificate** and Disclosure to the Administrative and Supervisory Bodies

The risk/materiality analysis for the SCIRS model combined external and internal factors for a balanced assessment between external assurance expectations and internal business process characteristics. This analysis covered all datapoints and companies in the consolidation scope of TIM's Sustainability Report.

The drivers considered for prioritizing the datapoints to be controlled include:

- the complexity of the database and/or calculation methodology;
- the potential reputational and/or material impact resulting from misstatement;
- the centrality of the datapoint with respect to TIM's sustainability policies;
- the materiality of the data point with respect to the ratings from the rating agencies.

[36c]: As part of the SCIRS, TIM has implemented Entity Level Controls, i.e., internal controls at the Group, Company, or Function level to oversee key business risks, which are also used in the Financial Disclosure Control Model and reflect the organization's focus on issues such as corporate governance, risk management, internal control system responsibilities, and the assignment of powers and responsibilities

The survey of Entity Level Controls is based on the CoSO Report, which provides 17 core principles associated with five typical components of a control system: Business Control Environment, Risk Management Process, Control Structure, Information System and Monitoring Activities. These components are interconnected and integrated with management processes.

The 17 control principles are divided into entity-specific control points, allowing for the identification of organizational and regulatory tools that meet them, taking into account synergies with the system of internal control over financial reporting.

For datapoints having the highest risk/relevance and for the most significant companies, TIM takes an approach that evaluates the design of controls from the business processes from which the datapoint originates. The analysis is carried out through the following operational steps:

- identification of control responsibilities;
- analysis of the risks of non-compliance of the datapoint with the qualitative characteristics provided for by the European Sustainability Reporting Standards (relevance, faithful representation, comparability, verifiability, comprehensibility);

- verifies that the control objectives are fully covered and mitigated by the underlying controls through the execution of the tests;
- identification of any areas for improvement.

Since a first implementation of the SCIRS Model on Sustainability Reporting and on training processes on priority datapoints, the main risks have concerned:

  - the collection of the incomplete / inaccurate / inconsistent database;
  - the incorrect calculation of the data, where the same requires processing and/or estimates and/or the use of calculation formulas;
  - the incorrect aggregation / consolidation of data;
  - the erroneous attribution of the data in the platform that collects the ESG data (ESG platform);
  - the inaccurate / incomplete / inconsistent preparation of the Sustainability Report document.

In the face of these risks, the following main types of controls are envisaged:

  - correct collection of the database through consistency and completeness checks;
  - correct application of the calculation formulas, as well as the related processes and/or estimates;
  - accurate and complete aggregation of data;
  - correct attribution and approval of the data on the ESG platform;
  - the inaccurate / incomplete / inconsistent preparation of the Sustainability Report document.

[36 d,e]: The SCIRS Model provides for periodic monitoring of the adequacy and operation of controls through a combination of self-assessment by responsible corporate functions and independent audits. If the control is ineffective, the risk of error is assessed in terms of probability and impact, and then managed by opening a control gap and establishing a remedial plan.

The findings of risk assessment activities and internal controls are reported to the Administrative and Control Bodies. The Sustainability Reporting Officer, together with the Compliance Department, informs the Board of Statutory Auditors, the Audit and Risk Committee, and the Sustainability Committee on the status of controls and related testing; on the identified deficiencies assessed as significant in terms of their potential impact on Sustainability Reporting; on the relevant remedial plans, coordinating with the Financial Reporting Officer.

In view of the nature of parent company and the consequent need to proceed, in accordance with applicable legislation, with the preparation of the Consolidated Sustainability Report and the issuance of the related certificates referred to in Article 154-bis of the TUF, a process has been defined to ensure the coordination of information flows to the parent company TIM. This coordination is based on internal certificates issued by the parties involved in different ways in business processes.

Strategy

Disclosure Requirement SBM–1 Strategy, business model and value chain

[40 a i, ii]: TIM is a leader in the development of communication infrastructures, such as mobile and fixed networks, data centers and international connections, through Sparkle, as well as in offering communication services for the retail market and in integrated and customized solutions for the large companies and public administrations market. **TIM S.A.** stands out as **one of the main players in the South American** telecommunications market and as a leader in 4G and 5G coverage.

TIM's portfolio of solutions and services combines digital innovation with sustainability, creating synergies that promote technological development and contain an environmental impact.

For the **Consumer segment**, TIM offers individuals and families a wide range of fixed and mobile telephone products and services for communication and entertainment. At the same time, TIM supports small and medium-sized companies in their digitalization process, offering tailor-made solutions to meet their specific needs.

In the **Business segment**, TIM Enterprise acts as a strategic partner for companies and Public Administration, offering End-to-End solutions in the Cloud, Internet of Things (IoT) and Cybersecurity sectors. These initiatives, carried out thanks to the largest network of data centers in Italy, enhance the skills of the Group's companies, such as Noovle, Olivetti and Telsy, Trust Technology and make use of collaborations with internationally renowned partners.

In the TIM Group, some companies also have adopted the status of **Benefit Corporations**, integrating common benefit objectives in addition to profit into their corporate purpose. In particular:

- **Noovle**, which specializes in Cloud and Edge computing solutions and was the first company in the Group to become a Benefit Corporation in July 2021, with data centers certified to international standards and built according to the best security and energy efficiency criteria;

- **Olivetti**, focused on IoT and Big Data solutions, which expanded its corporate purpose to become a Benefit Corporation in January 2023, promoting sustainable Italian digitalization in line with the company's historical values;
- **Mindicity,** initially part of the fabbricadigitale group, acquired by Olivetti in May 2022, which enabled TIM to strengthen its portfolio of solutions to support local governments on smart city issues.

TIM is therefore the protagonist in Italy and Brazil of technological innovation that it integrates into its digital solutions and services to effectively promote the sustainable growth of the economy and society.

The Group also promotes initiatives of great social importance through the **TIM Foundation** in Italy and **Instituto TIM** in Brazil.

The delayering plan completed last July 1 and aimed at moving beyond the vertically integrated operator model through the sale of fixed network infrastructure assets to Kohlberg Kravis Roberts & Co. L.P. ("KKR") included the sale of the Wholesale Office, fixed-line access infrastructure assets, and Wholesale business. The transaction has allowed a greater focus on offering services in the consumer, business and Brazilian market segments.

[40 a iii]: At year-end 2024, **the Group had 26,824 employees**, mainly located in Italy (17,458) and Brazil (9,123)[2].

[40 a iv]: The TIM Group does not offer prohibited products and services in the markets in which it operates, in accordance with applicable regulations.

[40 e,g]: The **2025-2027 Plan**, approved by the Board of Directors of the Group outlines an industrial strategy characterized by a pragmatic approach, **aimed at reducing debt, improving profitability and cash flows**. At the same time, the Plan is driven by the desire to implement an important transformation of operating models, processes and the ecosystem of rules to provide the company with a stronger operational and financial structure and make it more resilient in the current market consolidation phase.

This context includes the Group's ESG vision, perfectly integrated into the Plan, aimed at ensuring that the transformation simultaneously generates a significant, tangible and measurable environmental and social impact.

The environmental impact represents an opportunity to improve the company's operational efficiency and to adopt advanced processes and technologies.This means optimizing energy and resource consumption, reducing operating costs, meeting increasingly strict regulations and minimizing risks associated with possible sanctions. In this context, technological innovation not only strengthens the Group's position on the market, but also promotes greater resilience and adaptability.

The social impact, in the same way, involves for TIM the obligation to make organizational adjustments that respond to the main social trends, such as the evolution of working models, attention to internal organization with a view to overcoming the gender gap and the new needs of consumers. These adjustments make it possible to strengthen TIM's competitiveness, attract and retain the best talent and respond proactively to structural changes in the company.

This approach therefore represents a distinctive and strategic element, capable of promoting operational efficiency, stimulating innovation and ensuring effective risk management and control. At the same time, it makes it possible to exploit the opportunities deriving from the adoption of new technologies, the development of advanced operating models and the response to constantly evolving needs.

The Group's **sustainability strategy** outlined in the Plan aims to:

- **develop efficient and sustainable infrastructure** (5G, fiber, data centers) by obtaining environmental certifications, strengthening the use of renewable energy, including through self-generating solar energy plants for data center and network infrastructure elements, the reduction of emissions and resources through a long-term transition plan that also involves the production chain;
- **ensure cybersecurity and prevent attacks on infrastructure and customer data** by increasing the robustness and quality of control codes for IT solutions, automating test planning activities and detecting anomalies at the entry points of business systems;
- **addressing the challenges and opportunities related to technological transformation** by increasing investments in ICT, accelerating the adoption of artificial intelligence through the liberalization of licenses and the customization of solutions for complex processes, and by retraining and hiring talent;
- **create a work environment that values skills and merit**, ensuring equity and integrity as key principles for growth by introducing career development paths, increasing the presence of women and people of color (in Brazil) in leadership positions, strengthening female recruitment, implementing an equal pay monitoring system for all new hires starting in 2024.

The **circular economy model** (reuse/regeneration) permeates across the Group's operational processes to reduce the Company's environmental impact.

Nine targets were identified in the 25-27 Plan, including **six Group targets, two Domestic targets and one specific target for TIM S.A.** These targets are in line with the new industrial set-up and aim for concreteness, focusing on what has a significant impact for the Group and is actually achievable.

[2] "Italy" includes: TIM S.p.A., TIM Sparkle Italia, Noovle S.p.A., Olivetti S.p.A., Telecontact Center S.p.A, Telsy S.p.A., TIM Retail S.r.l, TI Trust Technologies, TS Way, QTI S.r.l., Mindicity. TIM S.A. is the only company considered in "Brasil".

Plan 25-27: ESG targets

GROUPS				**Targets**
Emissions Scope 1 + 2 + 3	**100% green Energy** Scope 2 **2025**	**Carbon neutral** Scope 1+2 **2030**	**New transition plan**[1] Scope 3 **2030**	**Net Zero** *2040*
Gender equality	Leadership position (%women)[2]			**35.5%**
	Hiring (% women)[3]			**50%** *2027*
ITALY				
Advanced digital solutions[4]				**+ 17%YoY** *2027*
Digital Identity services[5]				**+30% CAGR23-25** *2025*
BRAZIL				
Workforce upskill in digital capabilities	AI Academy, Agile Academy			**≥90%** *2027*

[1] Transition plan includes TIM Brand products with carbon footprint
[2] By 2025 3.5%; by 2026 35%: the target refers to Italian and Brazilian women managers and directors
[3] By 2025 49%; by 2026 49.5%
[4] IoT, Cloud & Security service revenues
[5] PEC, SPID, Digital Signature - growth of active services, baseline 2022

[40 f]: In line with decarbonization strategy and Plan's environmental targets, TIM is increasingly attentive to offering **products and services that combine technology and environmental impact**, with the aim of directing customers towards conscious purchases. Here are some examples:

As far as products are concerned, in the Domestic area:

- a new "TIM HUB Pro" modem model has been introduced for which a carbon footprint is available. In 2024, 51,000 pieces were sold;
- SIM cards intended for TIM and KENA customers are made from 100% recycled plastic. Flyers made from FSC-certified paper and 100% recyclable plastic bags are also used;
- more than 800 reconditioned smartphones were sold;
- about 77,000 TIM Consumer mobile lines work with e-SIM, or with virtual SIMs that are an alternative to physical SIMs.

Regarding services, in the Domestic area, TIM:

- offers the "TIM Re-evaluates Smartphone" service aimed at Consumer customers that allows the return of the old smartphone receiving a discount on the purchase of a new device. The old device is either regenerated or disposed of sustainably. More than 5,500 smartphones were recovered in 2024, 80% of them reconditioned;[3]
- offers the "All Risk Assistance" service for Business customers, that provides for the replacement of the smartphone in the event of a failure or a refund in case of theft or loss. About 22,000 reconditioned smartphones were given as replacements in 2024, accounting for 77% of the total number of smartphones replaced;
- used reconditioned products for replacement activities. More than 33,000 reconditioned modems were used in 2024, accounting for 33% of the total number of replacements made.

In Brazil, TIM S.A:

- offers the Smartphone and Smartwatch Trade-in Program service where customers can return their old devices and get a discount on the purchase of new models. In 2024, around 3,860 smartphones were collected, of which about 93% were reconditioned;
- gave over 163,000 reconditioned modems as replacements.

[42a]: In preparing disclosures relating to its **business model** and value chain, TIM considers:

- **core activities, resources, distribution channels, and customer segments:** key activities include the development and management of communication infrastructures. Resources include mobile and fixed networks, data centers and international connections. Distribution channels and customer segments include Consumer, Business, and International segment. For the **Consumer segment**, TIM offers individuals and families a wide range of fixed and mobile telephone products and services for communication and entertainment. In addition, it offers tailor-made solutions for small and medium-sized businesses, supporting them in their digitalization process. For the **Business segment**, through TIM Enterprise, the company offers End-to-End solutions in the Cloud, Internet of Things (IoT) and Cybersecurity sectors to companies and the Public Administration. These offers make use of the expertise of the Group's companies such as Noovle, Olivetti, Telsy, Trust Technology and collaborations with important international partners. For the **International segment,** Sparkle operates one of the world's most extensive fiber networks offering high-quality data, voice and video services. In Brazil, TIM S.A. represents one of the major players in the telecommunications market and a leader in 4G and 5G coverage.
- **the main business relationships** with customers and suppliers;
- **the cost structure and revenues** of the business sectors that comply with the disclosure requirements in the financial statements set out in IFRS 8, where applicable (refer to the "Financial and operating highlights of the business units of the TIM Group" in this Report on Operations);
- **the impacts, risks and** potential **opportunities** in the areas significant to the enterprise and the possible relationships with the business model or value chain (refer to table[48 ci,ii] "Material Impacts: scope of incidence and connection with strategy and business model").

TIM's business model pursues the creation of value by transforming inputs into results through a series of activities and projects. The inputs are represented by the following types of resources and key activities needed to create and distribute value. To create value and achieve business objectives, TIM makes use of various forms of capital:

- Share capital (owned);
- Financial capital;
- Physical-structural capital;
- Intellectual capital;
- Human capital;
- Social-relational capital.

Human capital, social-relational capital and intellectual capital are intangible resources essential for the value creation process.

[3] Numbers provided by Assurant, TimFin's partner in trading services

Human capital is a strategic element for TIM and is embodied in intangible resources such as talent, specialized, and managerial skills, as well as the health and safety protection of TIM employees (refer to the information in standard S1 “Own Workforce”).

Social-relational capital translates into dialogue with entities and institutions, labor relations, and stakeholder involvement that helps to strengthen corporate trust and reputation (see disclosure requirement SBM-2 “Interests and Opinions of Stakeholders”).

Intellectual capital includes intellectual property rights, such as patents and trademarks, as well as the technological know-how that allows the company to innovate and maintain a leadership position in the telecommunications sector. At the end of 2024, TIM has a portfolio that includes more than 2,350 patent applications and granted patents; the latter, granted by the European Patent Office and by the national patent offices of 14 countries, represent more than 90% of the total (refer to the “Innovation Research and Development” paragraph of the Report on Operations).

The knowledge and data necessary to make strategic and operational decisions are represented by:

- market data, such as analysis of demand, competition and industry trends;
- customer feedback such as requests, suggestions and opinions;
- legislative requirements and industry standards;
- internal reports on business performance/operational KPIs.

[42 b]: The products and results of the business model represent what the company markets (output) and the objectives achieved (outcomes). These reflect the value generated for customers, the company and all its stakeholders.

Benefits for TIM

- financial benefits: revenues, EBIT, cost reduction, process optimization;
- innovation: development of new business models;
- brand reputation.

Benefits for stakeholders

- customer satisfaction: customer experience, loyalty, response to needs;
- benefits in terms of social impact: improvement of quality of life, improvement of social inclusion and reduction of inequalities, development of talents and specialized skills, health and safety of workers;
- benefits in terms of environmental impact: reduction of emissions, use of renewable energy and promotion of circular economy models;
- relational benefits: development of partnerships and collaborations.

[42 c]: 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. In addition, it relies on suppliers for network equipment, mobile devices (smartphones, tablets, mobile phones) and fixed devices (modems, Set Top Boxes, FWA) intended for marketing on the Consumer and Business markets, as well as for software licenses and for the implementation of fixed and mobile telecommunications networks. In addition, TIM makes use in part of the networks of other operators and networks such as Fastweb, Open Fiber, A2A.

With the sale of NetCo, FiberCop has become the exclusive wholesale supplier of ADSL and FTTC connectivity, the leading provider of FTTH connectivity in Italy and the TIM Group’s largest supplier also for modem installation and maintenance services for its customers.

The TIM Group also hires a number of subcontractors for the maintenance of its network and the management of its call centers.

Finally, the TIM Group has signed multi-year contracts for hospitality and the management of its network equipment for the distribution of television content.

[42 c]: TIM’s value chain, upstream and downstream

Upstream value chain		Downstream value chain
Single provider of wholesale network services		Households, Small and medium-sized enterprises
Other operators and networks implemented by some local governments		Large Companies and Public Administration
Hardware Suppliers		Other fixed and mobile telecommunications operators
SW License Providers		Sales network (Dealers, stores,etc)
Specialist services in the field of software		Companies for the implementation of subscriber facilities
Integrated ICT solutions (HW and SW)	**TIM Group**	Companies for the implementation of subscriber facilities
Mobile terminal suppliers		Logistics companies for apparatus distribution
Subcontractors for network maintenance		Partnerships
Call center management subcontractors		
Subcontractors for installation and maintenance of terminals set up at customers' homes		
Logistics services		
Facility management services		

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[45 a i, ii]: In conducting its activities, the TIM Group takes into account the expectations and opinions of its stakeholders, in the belief that strong and satisfactory relationships are the only way to guarantee long-term value. Stakeholder engagement policies and strategies cover both direct activities and the value chain and are managed by the Corporate Communication & Sustainability Department, under the supervision of the Sustainability Committee of the Board of Directors.

The process of identifying stakeholders is based on the analysis of business processes, on the identification of all stakeholders, including vulnerable groups, on the grouping of stakeholders into homogeneous categories and on the identification of priority groups within each category.

The TIM Group's stakeholders are classified into eight categories: TIM people (includes trade unions); Customers; Suppliers; Business Community (includes peers, over the top, industry associations); Bodies and institutions (includes public administrations, national and international institutions); Financial community (includes shareholders and banks), Civil Society (includes consumer associations) and Media (includes opinion makers).

For each group of stakeholders, the most appropriate engagement tools are identified, which include one-to-one meetings, one-to-many meetings, information sessions, joint projects, surveys and focus groups.

[45 a ii, iv]: Main channels of engagement of the Group's stakeholders

Stakeholders	Main Engagement Channels
TIM people (includes trade unions)	• Approximately 11 million visits to the intranet platform in 2024
	• Approximately 25 million intranet page views in 2024
	• 870 thousand approx. news views on the intranet in 2024
	• 267 news stories made with 2,265 comments in 2024
Customers	• Listening plan with about 3.2 million interviews in Italy
	• Instant messaging conversations
	• Caring conversations on Facebook and Twitter
	• Reports in the MyTIM private area of theTIM.co.uk website
Suppliers	• 217 qualified suppliers of which more than 18% were assessed on socio-environmental issues
	• 11 on-site audits done by TIM under JAC (Joint Alliance for Corporate Social Responsibility)
Business Community (includes peers, over the top, industry associations)	• Intraoperational working tables in trade associations (ASSTEL and Anitec-Assinform) and in the Confindustria Digitale Federation
	• Collaboration at Connect Europe (association of European telco operators) and Uni Europa ICT (association of the European ICT union)
	• Participation in conferences/events in Italy
	• Active member GSMA Foundation
Bodies and institutions (includes public administrations, national and international institutions)	• Participation in working tables on industrial policies, labor, and simplification with relevant ministries and government departments
	• Participation in Meetings/Working Groups of the European Commission
Financial community (includes shareholders and banks)	• Quarterly financial reports
	• Quarterly presentations/webinars
	• Participation in the compilation of questionnaires and surveys of major ESG rating agencies
	• Individual calls with leading industry analysts
Civil society (includes consumer associations)	• Active participation in the Consumers' Forum
	• Regular meetings with Consumer Associations participating in the Memorandum of Understanding
	• Collaboration with IDMO (Italian Digital Media Observatory), the European Union's Italian observatory for countering disinformation and disseminating best practices in the use of digital media
	• Collaborations with OPGE (Permanent Youth-Education Observatory) organization that invests in young people to foster training and education for citizenship, e.g., "Technology - Digital literacy" program
Media (including opinion makers)	Approx. 240 Press releases in Italy and Brazil

[45 a iii, iv,v]: The **process of stakeholder engagement** in TIM[4] includes different phases and activities.

1. **Integration into Governance and Strategies:** stakeholder engagement is integrated into TIM's governance, strategies, and operations.
2. **Identification of Stakeholders:**
   - analysis of business processes;
   - identification of stakeholders for each process;
   - grouping of parts into homogeneous categories;
   - identification of priority groups within each category.
3. **Planning and Preparation:**
   - identification of the purpose, scope, ownership, mandate and stakeholders;
   - stakeholder profiling;
   - definition of levels and methods of engagement;
   - definition and communication of disclosure limits;
   - preparation of an engagement plan;
   - choice of indicators to measure engagement activities;
   - provision of adequate resources and capacity;
   - identifying and mitigating engagement risks.
4. **Engagement Tools:**
   - one-to-one and one-to-many meetings;
   - information sessions, joint projects, surveys, focus groups, etc.
5. **Implementation**:
   - invitations, information and briefings from stakeholders;
   - careful listening to stakeholders during engagement;
   - documentation of engagement;
   - development of action plans;
   - communication of engagement.
6. **Control and Evaluation:**
   - monitoring and assessment of the level of engagement;
   - commitment to improving engagement activities;
   - examination of the results of the engagement action plans;
   - drawing up of engagement reports;
7. **Feedback and Rating:**
   - collection of feedback from stakeholders;
   - assessment of risks and opportunities;
   - identifying gaps and the effort required to implement solutions.
8. **Reports and Impact Assessments:**
   - accounting for involvement activities in Sustainability Reporting;
   - feedback sessions with the stakeholders involved;
   - report to Top Management on selected topics.
9. **Communication and Complaints:**
   - providing clear communication channels for feedback and complaints;
   - complaint mechanisms available to communities.

TIM engages and listens to its stakeholders to improve operational efficiency, act ethically and sustainably, and to ensure that solutions and projects are aligned with their expectations and needs. The feedback received is used in a variety of ways.

As part of the double materiality analysis, for example, the stakeholders' expressed assessment of the impacts of TIM activities toward the environment and people was used to identify the Company's material IROs.

[4] Stakeholder engagement in TIM is organized through a structured and systematic process that follows the guidelines of the AccountAbility 1000 standards (AA1000APS and AA1000SES)

The growing attention to issues such as environmental protection and gender equality has also stimulated TIM to strengthen the implementation of initiatives that lead in these directions. On the environmental side, for example, TIM has implemented initiatives that promote the regeneration and reuse of products and/or materials and is gradually introducing the carbon footprint of TIM brand products.

In the social sphere, sensitivity to the issue of gender equality and the active involvement of workers through surveys and interviews has led TIM to strengthen its commitment to diversity inclusion and empowerment. Among the various initiatives, TIM has signed the “Code of Self-Discipline for Responsible Companies in favor of Motherhood”, promoted by the Minister for Family, Birth and Equal Opportunities, and has doubled the mandatory paternity leave from 10 to 20 days to promote shared parenting. In addition, the Group shapes its relationships with its suppliers on the basis of respect for human rights and health and safety regulations and their involvement for sustainable development of their performance.

In the end, the feedback collected through the results of the “Customer Satisfaction Index” is used to monitor how customer satisfaction changes in response to the development of new offerings or projects and initiatives that have been started.

For detail with respect to the manner and process of engaging specific categories of stakeholders, please refer to the SBM-2 disclosure requirements "Interests and Views of Stakeholders" found in the topic chapters.

[45 b],[45 c,i,ii,iii]: The TIM Group's business model and strategy effectively takes into account the interests and opinions of relevant stakeholders, confirming the importance of ensuring a constant and structured dialogue capable of fostering a climate of cooperation and trust between the company and its stakeholders.

As part of the double materiality process TIM engaged stakeholders to assess the extent of potentially material impacts, risks and opportunities (IROs). External stakeholders' assessment of the impacts the company produces toward the environment and society was mediated with management's assessments to identify the list of material IROs for TIM.

The results that emerged from the double materiality analysis were used to direct corporate strategy, and in this sense, the evaluations expressed by stakeholders are in line with the action directions in the 2025-27 Plan.

In addition, concerns or specific needs of stakeholders are collected through institutional reporting channels. At present, there are no specific remedial measures in place or being planned.

[45 d]: The main activities and commitments of the TIM Group, including those involving stakeholders, are regularly presented to the Sustainability Committee, a direct expression of the Board of Directors.

With regard to sustainability issues, the outcome of the double materiality analysis process was presented at a joint session with the Control and Risk Committee, the Sustainability Committee and the Board of Statutory Auditors by the Corporate Communication & Sustainability function on October 11, 2024. The outcome was then presented to the Board of Directors on December 11, 2024.

Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

[48 a], [48 c iii,iv],[48h]: The **double materiality analysis** conducted by the TIM Group in 2024 showed **46 material IROs** divided into: **13 negative impacts, 10 positive impacts, 15 risks and 8 opportunities.** In view of the coverage of the topics covered, the 46 IROs have been traced back to **7 ESRS topics.**

Below is the list of material impacts, risks, and opportunities (IROs), with the following details:

- order of materiality of IROs: inferred from the evaluations of internal and external stakeholders;
- description of the IRO;
- type of IRO: impact, risk, or opportunity;
- for impacts, it is indicated whether the effect that TIM has on the environment and on people, including human rights, is actual or potential;
- ESRS topic and sub-topic of reference to which the IRO is traced back for reporting purposes;
- scope of application: indicates the point in the value chain where the impact, risk, or opportunity falls. If the IRO is linked to the typical activities of TIM’s business, we speak of “own activities”; if the IRO is linked to the supply chain, we speak of “upstream activity”; if the IRO is linked to customers, we speak of “downstream activity”;
- time horizon: refers to the time frame within which the effect of the IRO manifests itself. In line with what is defined by the Enterprise Risk Management function in the modelling of operational risks, we speak of the short term (within one year); medium-term (within three years, coinciding with the horizon of the business plan) and long-term (over three years).

[48 a], [48 c iii,iv]: List of material IROs

Ordine di rilevanza	Descrizione IRO	Tipologia IRO	Impatti effettivi/ potenziali	Tema ESRS	Sotto-tema ESRS	Perimetro di applicazione	Orizzonte temporale
1	Potential non-compliance with anti-bribery regulations in the conduct of business increases the likelihood of legal liability and financial sanctions, as well as reputational damage	Risk		ESRS G1 - Business conduct	G1 Active and passive corruption	Own activities	Short - Medium - Long
2	Strong ethical practices and transparent codes of conduct can improve brand reputation, attract ethical investors, and improve customer relationships	Opportunity		ESRS G1 - Business conduct	G1 Corporate culture, G1 Supplier relationship management, including payment practices	Own activities	Short - Medium - Long
3	The engagement of employees results in greater leadership capacity and professional development, improving job satisfaction	Positive impact	Actual	ESRS S1 - Own Workforce	S1 Equal treatment and opportunity for all	Own activities	Short - Medium - Long
4	Potential cybersecurity threats may involve the leak of sensitive customer and/or employee data	Negative impact	Actual	ESRS S1 - Own labor force, ESRS S4 - Consumers and end users	S1 Other work-related rights, S4 Information-related impacts for consumers and/or end-users	Own activities	Short
5	Cyber attacks and sabotage to physical infrastructure can cause an interruption in the operational continuity of services, causing a deterioration in economic and financial performance and reputational damage	Risk		ESRS S4 - Consumers and End Users	S4 Information-related impacts for consumers and/or end-users, S4 Social inclusion of consumers and/ or end-users	Own activities	Short - Medium - Long
6	A flexible organizational environment that promotes the well-being of employees and their families can generate benefits in terms of work-life balance	Positive impact	Actual	ESRS S1 - Own Workforce	S1 Working conditions	Own activities	Short - Medium - Long
7	Insufficient safety measures, lack of training and inadequate protective equipment can cause accidents at work, injuries and damage to the health of employees and workers in the supply chain	Negative impact	Actual	ESRS S1 - Own Workforce, ESRS S2 - Workers in the value chain	S1 Working conditions, S2 Working conditions	Own activities, upstream, downstream	Short - Medium - Long
8	Involving stakeholders in strategic initiatives helps create long-term value for customers and the supply chain	Positive impact	Actual	ESRS G1 - Business conduct	G1 Corporate culture	Own activities, upstream	Short - Medium - Long
9	Training and reskilling programs on the subject of digital transformation generate new skills to support the professionals of the future	Positive impact	Actual	ESRS S1 - Own Workforce	S1 Equal treatment and opportunity for all	Own activities	Short - Medium
10	Personalized and transparent offerings and seamless connectivity improve the customer experience, encouraging customer loyalty with consequences on the company's economic and financial flows	Opportunity		ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/ or end users	Own activities, upstream, downstream	Short - Medium - Long

11	Human rights violations within the company and along the supply chain may result in legal liability and consequent reputational damage	Risk		ESRS S1 - Own Workforce, ESRS S2 - Workers in the value chain	S1 Other work-related rights, S1 Working conditions, S1 Equal treatment and opportunities for all, S2 Other work-related rights, S2 Working conditions	Own activities, upstream, downstream	Short - Medium - Long
12	Artificial intelligence and digital technologies allow better management of projects with a significant impact on the environment, such as the monitoring of environmental parameters (e.g. smart cities, smart agriculture) and the management of early warning systems	Positive impact	Actual	ESRS E1 - Climate Change	E1 Adaptation to climate change, E1 Climate Change Mitigation	Own activities, upstream	Short - Medium - Long
13	The construction and use of infrastructures (e.g. data centres) requires a high consumption of energy that can increase emissions with consequences on climate change	Negative impact	Actual	ESRS E1 - Climate Change	E1 Energy, E1 Climate Change Mitigation	Own activities, upstream	Short - Medium - Long
14	The adoption of digital technologies in business processes can improve the quality of service to customers and the ability to manage unexpected events that may interfere with the continuity of the service	Positive impact	Actual	ESRS S4 - Consumers and End Users	S4 Information-related impacts for consumers and/or end-users, S4 Social inclusion of consumers and/or end-users	Own activities	Short - Medium - Long
15	An inadequate incentive system can affect employee satisfaction	Negative impact	Actual	ESRS S1 - Own Workforce	S1 Working conditions	Own activities	Short - Medium
16	Inadequate development, inclusion, and work-life balance initiatives can affect employee satisfaction	Negative impact	Actual	ESRS S1 - Own Workforce	S1 Working conditions, S1 Equal treatment and opportunities for all	Own activities	Short - Medium
17	Unauthorized access to the personal data of customers or employees can result in legal liability, regulatory sanctions, economic and financial damage and reputational damage	Risk		ESRS S1 - Own labor force, ESRS S4 - Consumers and end users	S1 Other work-related rights, S4 Information-related impacts for consumers and/or end-users	Own activities	Short - Medium - Long
18	Incentive mechanisms that encourage employees to adopt sustainable practices promote a culture of responsibility towards environmental and social impact.	Positive impact	Actual	ESRS G1 - Conduct of enterprises, ESRS S1 - Own Workforce	G1 Corporate culture, S1 Working conditions	Own activities	Short - Medium - Long
19	Risks related to online security, such as cybercrime, cyberbullying and inappropriate content can result in legal liability, economic and financial losses and damage to reputation	Risk		ESRS S4 - Consumers and End Users	S4 Personal safety of consumers and/or end users	Own activities	Short - Medium - Long
20	The expansion in the offering of technologies and digital access (for example, PEC, digital signature, SPID) can lead to more inclusive connectivity for consumers	Positive impact	Actual	ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/or end users	Own activities, upstream, downstream	Short - Medium - Long

21	The use of fossil energy sources helps to increase emissions with consequences on climate change	Negative impact	Actual	ESRS E1 - Climate Change	E1 Energy	Own activities, upstream, downstream	Short - Medium - Long
22	A working environment that does not provide employees with the "right to disconnect" results in increased work stress and burnout, with consequences on employee well-being	Negative impact	Actual	ESRS S1 - Own Workforce	S1 Working conditions	Own activities	Short - Medium
23	Connectivity solutions that use digital technologies such as IoT, Big Data and AI ensure better data traffic planning for the benefit of customers	Positive impact	Actual	ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/ or end users	Own activities, upstream	Short - Medium - Long
24	The absence of equal pay at executive, managerial and employee levels may require corrective action to encourage the attraction of talent	Negative impact	Actual	ESRS S1 - Own Workforce	S1 Equal treatment and opportunity for all	Own activities	Short - Medium - Long
25	The greater computing and data processing power required by the use of AI and digital technologies in business processes can increase energy consumption and the carbon footprint of the company or supply chain, affecting climate change	Negative impact	Actual	ESRS E1 - Climate Change	E1 Energy	Own activities, upstream	Medium - Long
26	Voluntary compliance with the Revenue Agency can bring benefits in terms of reputation and operational management	Opportunity		ESRS G1 - Business conduct	G1 Corporate culture	Own activities, upstream	Short - Medium - Long
27	The investments in infrastructure and the purchase of energy necessary for 5G, fibre optics and the cloud can affect climate change	Negative impact	Actual	ESRS E1 - Climate Change	E1 Energy, E1 Climate Change Mitigation	Own activities, upstream	Short - Medium - Long
28	Projects that promote social inclusion, including through cultural and artistic programs, can help spread awareness in the community and in the new generations	Positive impact	Actual	ESRS S3 - Communities Affected	S3 Economic, social and cultural rights of communities	Own activities	Short - Medium - Long
29	The acceleration of fiber roll-out and 5G can promote digital transformation and the enablement of new services and applications, contributing to greater customer satisfaction and the consolidation of market leadership	Opportunity		ESRS S4 - Consumers and End Users	S4 Information-related impacts for consumers and/or end-users, S4 Social inclusion of consumers and/ or end-users	Own activities, downstream	Short - Medium - Long
30	The development of new business models that use advanced digital technologies (e.g. 5G, AI) can improve the company's operational efficiency, with consequences on economic-financial flows and benefits for consumers.	Opportunity		ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/ or end users	Own activities	Short - Medium - Long
31	The inability to effectively involve suppliers in the reduction of emissions can cause the failure to achieve the climate objectives, with an impact on economic and financial results as well as reputational damage.	Risk		ESRS E1 - Climate Change, ESRS G1 - Business Conduct	E1 Climate change mitigation, G1 Supplier relationship management, including payment practices	Upstream, downstream activities	Long

32	Digital illiteracy widens socioeconomic gaps and does not allow full participation of customers in the economy	Negative impact	Actual	ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/ or end users	Own activities	Short
33	Gender inequalities in terms of pay and positions of responsibility and non-transparent career paths can have consequences on the attraction and retention of talent	Risk		ESRS S1 - Own Workforce	S1 Equal treatment and opportunity for all	Own activities	Short - Medium - Long
34	The inability of the company or supply chain to conduct a responsible business, which responds to ethical social demands and transparent business practices, may limit competition and consumers' informed choices	Negative impact	Potential	ESRS G1 - Business Conduct, ESRS S4 - Consumers and End Users	G1 Corporate culture, S4 Social inclusion of consumers and/ or end users	Own activities, upstream	Short - Medium - Long
35	Flexible and hybrid working models can improve employee productivity and well-being, while reducing operating costs	Opportunity		ESRS S1 - Own Workforce	S1 Working conditions	Own activities	Short - Medium - Long
36	The enhancement of employer branding, professional refresher programs and talent management strategies can help attract and maintain a highly qualified and diversified workforce	Opportunity		ESRS S1 - Own Workforce	S1 Equal treatment and opportunity for all	Own activities	Short - Medium - Long
37	The spread of pandemics or the occurrence of geopolitical conflicts can lead to potential shortages in the supply of goods and services and price increases, with consequences on the continuity of business activities and on the company's economic-financial flows	Risk		ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/ or end users	Own activities, upstream	Medium - Long
38	The definition of attainable performance objectives for employees promotes company productivity	Opportunity		ESRS S1 - Own Workforce	S1 Working conditions	Own activities	Medium - Long
39	Extreme weather events due to climate change can create discontinuity in business activities, damage infrastructure and consequently affect the company's economic and financial flows	Risk		ESRS E1 - Climate Change	E1 Adaptation to climate change	Own activities, upstream, downstream	Medium - Long
40	The lack of technological transformation of legacy infrastructures and platforms can reduce the quality of service offered to customers and increase the vulnerability of systems, with consequences on business reputation	Risk		ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/ or end users	Own activities	Short - Medium - Long
41	Failure to achieve coverage objectives may limit the offering of high-speed connectivity, with consequences on the customer experience and on economic-financial flows	Risk		ESRS S4 - Consumers and End Users	S4 Information-related impacts for consumers and/or end-users, S4 Social inclusion of consumers and/ or end-users	Own activities, downstream	Short - Medium - Long

42	The incorrect management of waste by TIM (e.g. electronic waste) and its supply chain (e.g. network components) can contribute to environmental pollution and affect the transition to the circular economy	Negative impact	Potential	ESRS E5 - Resource use and circular economy	E5 Resource outflows related to products and services, E5 Waste	Own activities, upstream	Short - Medium - Long
43	Regulatory changes to energy and environmental policies may affect the profitability of energy efficiency actions and the use of renewable sources, with a possible increase in compliance costs	Risk		ESRS E1 - Climate Change	E1 Energy	Own activities	Short - Medium - Long
44	Failure to implement digital inclusion actions aimed at the accessibility and continuity of the services offered may result in customer dissatisfaction, potential sanctions and economic and financial losses	Risk		ESRS S4 - Consumers and End Users	S4 Information-related impacts for consumers and/or end-users, S4 Social inclusion of consumers and/ or end-users	Own activities	Short - Medium - Long
45	Potential legal liabilities and financial sanctions deriving from antitrust investigations (e.g. incorrect business practices) can damage corporate reputation, with consequences on the company's economic and financial flows	Risk		ESRS S4 - Consumers and End Users	S4 Social inclusion of consumers and/ or end users	Own activities	Short - Medium - Long
46	Failure to adapt to regulatory developments in the use of generative AI can cause reputational damage and sanctions and can harm the economic sustainability of the company	Risk		ESRS G1 - Business conduct	G1 Corporate culture	Own activities	Medium - Long

[48 c i, ii]: The following table shows the positive and negative, actual or potential impacts of TIM activities on people and the environment, which emerged as significant in the double materiality analysis. Specifically, it indicates the connection between each impact and the business strategy and business model is indicated to show how the company operates on a daily basis to achieve the designated goals.

[48 c i,ii]: List of material impacts: scope of incidence and connection with strategy and business model

Size	Description of Impact	Type of Impact	Actual/ Potential Impact	Scope of incident (Environment/People)	Linking impact to enterprise strategy or model
E	Artificial intelligence and digital technologies allow better management of projects with a significant impact on the environment, such as the monitoring of environmental parameters (e.g. smart cities, smart agriculture) and the management of early warning systems	Positive impact	Actual	Environment	Strategy/Business Model Technology Transformation
E	The construction and use of infrastructures (e.g. data centres) requires a high consumption of energy that can increase emissions with consequences on climate change	Negative impact	Actual	Environment	Strategy/Business Model Efficient and sustainable infrastructure
E	The use of fossil energy sources helps to increase emissions with consequences on climate change	Negative impact	Actual	Environment	Strategy/Business Model Efficient and sustainable infrastructure
E	The greater computing and data processing power required by the use of AI and digital technologies in business processes can increase energy consumption and the carbon footprint of the company or supply chain, affecting climate change	Negative impact	Actual	Environment	Strategy/Business Model technological transformation
E	The investments in infrastructure and the purchase of energy necessary for 5G, fibre optics and the cloud can affect climate change	Negative impact	Actual	Environment	Strategy/Business Model Efficient and sustainable infrastructure

E	The incorrect management of waste by TIM (e.g. electronic waste) and its supply chain (e.g. network components) can contribute to environmental pollution and affect the transition to the circular economy	Negative impact	Potential	Environment	Business Model Circular waste and resource management
S	The engagement of employees results in greater leadership capacity and professional development, improving job satisfaction	Positive impact	Actual	People	Strategy/Business Model Human capital development
S	Potential cybersecurity threats may involve the leak of sensitive customer and/or employee data	Negative impact	Actual	People	Strategy/Business Model Cybersecurity
S	A flexible organizational environment that promotes the well-being of employees and their families can generate benefits in terms of work-life balance	Positive impact	Actual	People	Strategy/Business Model Well-being in the workplace
S	Insufficient safety measures, lack of training and inadequate protective equipment can cause accidents at work, injuries and damage to the health of employees and workers in the supply chain	Negative impact	Actual	People	Strategy/Business Model Well-being in the workplace
S	Training and reskilling programs on the subject of digital transformation generate new skills to support the professionals of the future	Positive impact	Actual	People	Strategy/Business Model Human capital development
S	The adoption of digital technologies in business processes can improve the quality of service to customers and the ability to manage unexpected events that may interfere with the continuity of the service	Positive impact	Actual	People	Strategy/Business Model Technological transformation
S	An inadequate incentive system can affect employee satisfaction	Negative impact	Actual	People	Strategy/Business Model Human capital development
S	Inadequate development, inclusion, and work-life balance initiatives can affect employee satisfaction	Negative impact	Actual	People	Strategy/Business Model Human capital development
S	Incentive mechanisms that encourage employees to adopt sustainable practices promote a culture of responsibility towards environmental and social impact.	Positive impact	Actual	People	Strategy/Business Model Human capital development
S	The expansion in the offering of technologies and digital access (for example, PEC, digital signature, SPID) can lead to more inclusive connectivity for consumers	Positive impact	Actual	People	Strategy/Business Model Technological transformation
S	A working environment that does not provide employees with the "right to disconnect" results in increased work stress and burnout, with consequences on employee well-being	Negative impact	Actual	People	Strategy/Business Model Well-being in the workplace
S	Connectivity solutions that use digital technologies such as IoT, Big Data and AI ensure better data traffic planning for the benefit of customers	Positive impact	Actual	People	Strategy/Business Model Technological transformation
S	The absence of equal pay at executive, managerial and employee levels may require corrective action to encourage the attraction of talent	Negative impact	Actual	People	Strategy/Business Model Human capital development
S	Projects that promote social inclusion, including through cultural and artistic programs, can help spread awareness in the community and in the new generations	Positive impact	Actual	People	Strategy/Business Model Technological Transformation
S	Digital illiteracy widens socio-economic gaps and does not allow full customer participation in the economy	Negative impact	Actual	People	Strategy/Business Model Technological Transformation
G	Involving stakeholders in strategic initiatives helps create long-term value for customers and the supply chain	Positive impact	Actual	People	Strategy/Business Model Business Conduct
G	The inability of the company or supply chain to conduct a responsible business, which responds to ethical social demands and transparent business practices, may limit competition and consumers' informed choices	Negative impact	Potential	People	Strategy/Business Model Business Conduct

[48 b], [48 d]: The double materiality analysis identified risks and opportunities that could affect the Group's economic and financial results and competitive position (financial materiality) and the Group's impacts on the environment, society and other stakeholders, regardless of financial implications (impact materiality).

The impacts, risks, and opportunities identified were the basis for identifying the material issues to be included in the 2024 Sustainability Report.

The assessment of ESG risks, impacts and opportunities has also helped to define the four pillars of the ESG strategy of the 2025-27 Plan:

- Develop efficient and sustainable infrastructure (5G, fiber, data center);
- Ensure cybersecurity and prevent attacks on customer infrastructure and data;

- Addressing the challenges and opportunities related to technological transformation;
- Create a work environment that values skills and merit, ensuring fairness and integrity.

With regard to the possible current financial effects of significant risks and opportunities, the following should be noted.

Environment

- Extreme weather events caused by climate change can interrupt business activities and damage infrastructure, affecting economic-financial flows. To mitigate possible risks from these extreme events:
    - In Italy, the Group took out an All Property policy for 6.2 million euros. In 2024, there were no extreme weather events that resulted in significant economic losses beyond the deductible threshold under the insurance coverage;
    - In Brazil, TIM S.A. has insurance contracts that cover operational risks, civil liability and IT risks. The policies cover damage to infrastructure resulting from extreme weather events such as earthquakes, tsunamis, floods, storms, hurricanes, cyclones, tornadoes, hail, smoke, and landslides and provide compensation limits for a total of R$800 million (800 million reais). In 2024, a catastrophic climate event hit Rio Grande do Sul. TIM S.A. responded on four fronts: re-establishing network connections, supporting customers with roaming and 10GB of bonus data, assisting employees in affected regions, and donating basic necessities to communities in cooperation with local institutions. The crisis affected hundreds of cities and millions of people, representing an unprecedented event in Brazil. Restoration activities, which include reconstruction of telecommunications networks and planning for future similar events, are being managed by a specially created task force of more than 180 professionals (employees and suppliers) that will continue to operate on a permanent basis throughout the reconstruction phase. The cost estimate for the company is not yet available.

Social

- In the **area of privacy**, unauthorized access to the personal data of customers or employees can result in legal liability, regulatory sanctions, economic and financial damage and reputational damage. During 2024, the Data Protection Authority (GDPR) did not carry out any inspection activities at TIM or its Italian Group Companies, nor did it take any prescriptive or sanctioning measures against them. The Privacy Protection Authority, on the other hand, initiated proceedings in November 2024, with the possible adoption of prescriptive measures or sanctions, with reference to inaccuracies in customer contact details. TIM has sent a defensive statement and is awaiting the Authority's determinations;
- In the area of **cybersecurity**, cyber attacks and sabotage of physical infrastructure can disrupt the business continuity of services, worsening economic and financial performance and damaging the reputation of the Company. No security incidents classified as "major" occurred in 2024. There was only one incident with a medium impact, caused by a DDOS attack (which targets websites and servers by interrupting network services) characterized by unusually aggressive methods. Specifically, the disruption was related to the partial inability to reach some business services, including www.tim.it and www.gruppotim.it. The attack was quickly mitigated with the implementation of appropriate countermeasures to avoid similar episodes in the future. The public network delivery services were not impacted, as were the internal services, and there were no data losses or compromise. Finally, there are two other incidents with a low impact, caused by process or system vulnerabilities; they too have not led to the compromise or loss of data or to economic impacts;
- In connection with **improper commercial practices** in 2024 in Italy, the AGCM (Competition and Market Authority) did not initiate any proceedings against TIM in this area that produced financial effects during the year.
- With regard to **consumer protection**, AGCOM (the Communications Authority) has not ordered any proceedings against TIM aimed at ascertaining the violation of sector regulations and which produced financial effects during the year. In Brazil regarding processes related to consumer rights, TIM S.A. reports 23 cases of non-compliance with significant laws and regulations with 7 non-monetary penalties and 16 fines, totaling R$4.4 million, related to customer services and the blocking of telemarketing calls.

Governance

- On the subject of **business conduct,** in 2024, the Group in the Domestic area did not encounter any significant incidents of non-compliance with applicable laws and regulations. Consequently, there were no penalty consequences. In Brazil, TIM S.A. faced 87 administrative proceedings in environmental matters in 2024, most of which involve the applicability of state and/or municipal legislation, depending on the jurisdiction. Of the pending cases, 26 have no monetary penalties and 23 cases have no possible financial impacts of significant value (less than 500,000 reais). The remaining 38 administrative proceedings were completed in 2024. With regard to Anatel (the Brazilian Government Telecommunications Agency), there are two significant ongoing proceedings relating to non-compliance with certain obligations, such as the quality of the service and the rights and guarantees of users (Procedure for determining non-compliance with obligations - PADO - with Anatel and Procedure for determining a program item - PADIC). In 2024, fines of R$1.5 million were paid, including one for the previous years and seven for the period under review.
- Regarding **tax matters**, during the reporting period, no significant tax penalties exceeding €100,000 were paid relating to the Domestic BU.

[48 f]: The TIM Group adopts a resilient strategy and business model, able to face impacts and risks and to seize opportunities. The assessment of business resilience is carried out already during the definition of the Strategic Plan, through scenario projections, strategic and competitive analyses, to define strategy and competitive positioning, identify consistent objectives and actions in the short and medium-long term, and verify their implementation through performance measurement.

In addition, the Enterprise Risk Management (ERM) function provides an overall view of the main business risks, including those related to sustainability issues, and of the evaluation of mitigation actions.

Specifically, with regard to the environmental dimension, ERM monitors and assesses environmental risks related to climate change, proposing mitigation actions to strengthen the resilience and efficiency of assets and continue the energy transition process (see disclosure requirement E1 IRO-1 "Description of processes to identify and assess material climate-related impacts, risks, and opportunities").

In the social sphere, on the other hand, the Group implements processes in accordance with industry best practices, allowing the company to identify and manage potential negative impacts deriving from its operations, the value chain, the products or services offered and from business relationships.

Finally, from the point of view of governance, the Group constantly monitors regulations and its business conduct, identifying possible corrective actions to address risks and negative impacts generally attributable to issues related to compliance and business ethics.

[48 g]: In the previous financial year, TIM focused mainly on the effects of the company's activities externally, that is, the positive and negative impacts. Compared with what was inferred from the 2024 double materiality analysis, no significant changes were identified. The risks and opportunities, resulting from the new approach that has integrated the perspective of financial materiality, are all attributable to issues mapped by business processes and/or governed by the Risk Management model.

Impact, risk, and opportunity management

Disclosure Requirement IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

[53 a]: In line with the regulations of the Corporate Sustainability Reporting Directive (CSRD), the TIM Group conducted a double materiality analysis to identify material impacts (Impact Materiality) and material risks and opportunities (Financial Materiality), while also following the indications in Implementation Guidance 1 "Materiality Assessment" published by EFRAG. To identify the list of material IROs, TIM used a dynamic semantic engine that, based on information extracted from public documents such as regulations, financial, and sustainability reports, and online news from peers in the "Technology & Telecommunication" sector, generated an initial list of potentially material positive and negative impacts, risks, and opportunities (IROs). The list was then subjected to evaluation by internal and external stakeholders and finally to an analysis to define the significance threshold that led to the identification of material IROs.

The double materiality analysis together with the list of material impacts, risks and opportunities was presented to the Sustainability Committee and the Audit and Risk Committee on October 11, 2024, and subsequently, to the Board of Directors on December 11, 2024.

The **double materiality analysis activity was carried out involving the main companies in the Group's perimeter, including TIM S.p.A, TIM S.A, Noovle, Olivetti and Sparkle.** TIM S.A. conducted its own double materiality analysis, the results of which showed no significant differences from the analysis conducted at the Group level. Although the degree of detail in the description of IROs varies, the aspects covered are broadly similar. The distinguishing features of TIM S.A.'s analysis involve the identification of a positive impact associated with ESRS Theme E4 "Biodiversity and Ecosystems" and a risk associated with ESRS Theme E3 "Water and Marine Resources", both of which are considered to be non-material at the Group level.

[53 b i, ii]: Potentially material impacts were identified by considering the general and specific dynamics of the Technology & Telecommunication sector, whether generated directly by the TIM Group or indirectly through relationships with suppliers and customers. This assessment takes into account the peculiarities of the value chain in the Italian and Brazilian context and the impacts on people or the environment, both positive and negative, both current and future, in a short-, medium-, or long-term time horizon. The list of positive and/or negative impacts submitted for evaluation includes those in which the TIM Group is involved through its activities or business relationships.

[53 b iii]: Impacts were assessed by administering a survey to external stakeholders and board directors; while for **internal stakeholders,** such as C-level and key function/company managers, one-on-one interviews were held.

Regarding **external stakeholders**, a significant sample was selected for each of the categories surveyed covering: TIM's people; Customers; Media; industry Business Community; Institutions and regulatory bodies; Suppliers; Civil Society; the Financial Community. Overall, **a sample of about 11,000 stakeholders was involved with a redemption of about 37%.**

[53 b iv]: Material impacts were identified by rating their importance on a scale of 1 to 5, considering factors such as severity (average of magnitude, extent and irretrievable nature) and likelihood (for potential impacts) for negative impacts. For positive impacts, the assessment was made on a scale of 1 to 5 for magnitude, extent, and likelihood. The total score for each impact can range from 1 to 25, based on the product of the factors mentioned. Impacts considered material exceeded the threshold of 12.

[53 c i, ii]: Like the impacts, risks and opportunities were also identified through the semantic platform's extraction of data from documentary sources related to peers and actors in the TIM Group value chain, both upstream and downstream.

From this extraction, a **list of** potentially material **risks and opportunities** was then created and **shared with the ERM function**, which is responsible for risk management in the company. Next, the list was **evaluated by internal stakeholders**, who assigned a score from 1 to 5 to each risk and opportunity in terms of likelihood and impact. The materiality of each risk and opportunity was determined based on the product of these two drivers, selecting those with a score above 12. Finally, the assessment of risks and opportunities and the related possible economic and financial impacts on Plan objectives was carried out by ERM according to the adopted risk management methodology.

[53 c iii]: The TIM Group attaches strategic priority to risks related to sustainability, integrating them into overall risk management processes. These risks are evaluated through the double materiality analysis process that takes into account the viewpoint of stakeholders and the actual or potential impact on business performance. In addition, TIM uses advanced quantitative and qualitative analysis tools, such as probabilistic models and scenario analysis, such as environmental risks, in line with best market practices and international standards (including TCFD). These tools make it possible to assess the urgency and impact of sustainability risks compared to other risk categories, ensuring integrated and proactive management. Based on the outcome of the assessment of the various risks, the company implements prioritized mitigation actions according to their riskiness.

[53 d]: The TIM Group's decision-making process is based on structured governance involving the Board of Directors, the appropriate committees (such as the Control and Risk Committee and the Sustainability Committee) and the company's operational functions.

With regard to the double materiality activity, in addition to the involvement of various stakeholders, the list of impacts, risks, and opportunities was presented to the Sustainability Committee, the Audit and Risk Committee, and then to the Board of Directors. In reference to internal control procedures, please refer to the section on GOV-5 disclosure requirement "Risk management and internal controls over sustainability reporting".

[53 e]: The process of identifying, assessing and managing sustainability-related risks is integrated into TIM's Enterprise Risk Management (ERM) framework, enabling a unified view of business risks. The information gathered is used to identify the company's risk profile, while also ensuring that the mitigation measures identified are consistent with the company's long-term strategies and with Business Plan objectives.

[53 f]: With regard to opportunities, the approach adopted by the TIM Group, integrated with the ERM process, aims to identify, evaluate and manage opportunities related to sustainability, including them in the overall decision-making process. The opportunities related to sustainability are then evaluated both from the point of view of their economic potential and for their contribution made to the objectives indicated in the Group's strategic plan. The process is supported by continuous monitoring through specific KPIs, which make it possible to measure the effectiveness of the actions taken and to realign strategic priorities based on the results achieved.

[53 g], [53 h]: The double materiality analysis conducted with reference to the current Sustainability Report made use of a dynamic semantic engine, benchmarking analysis and integrated with inputs from ERM analysis.

Through extrapolation of data from peers and best practices obtained by drawing on a variety of documentary sources (such as significant mandatory and voluntary regulations, financial and sustainability reports, and online news), it was possible to identify the most stringent topics from which the TIM Group started to determine the list of potentially material IROs and then subsequently, the topics associated with them.

The process has undergone a change from the approach taken in previous years, which was limited to the impact materiality perspective only. The approach to the materiality analysis carried out in this Sustainability Report follows the dual perspective of Impact Materiality and Financial Materiality, evaluating and identifying material impacts, risks and opportunities according to the metrics suggested by the regulations.

[E1 IRO-1, 20]: To identify, evaluate and manage the risks and opportunities related to climate change in the short (0-3 years), medium (3-10 years) and long term (10-20 years), the TIM Group implements a climate risk management process on an interim basis (more than once a year) integrated into the wider business risk management process, providing full disclosure of the correlations between risks and opportunities related to climate change and to the entire the Group's value chain (own transactions, downstream and upstream), for a correct formulation of business strategies.

In particular, within the structure of the Chief Finance Office Department, the Enterprise Risk Management & Insurance (ERM) function collaborates and supports risk owners in identifying and evaluating risks, accordingly updating the risk register (the so-called Risk Universe), identifying risk mitigation plans and initiating constant monitoring of their implementation.

The ERM function conducts specific Risk Assessments on company management in order to evaluate and quantify risks or opportunities with respect to the Plan's objectives, providing a summary view to the Control and Risk Committee (CCR) according to the dimensions of economic impact and probability of occurrence, highlighting the detail by macro-category of risk with respect to the defined Tolerances. Possible reputational and criminal impacts are also considered. In addition, the Enterprise Risk Management function, in collaboration with the Sustainability function, has developed a methodology for the assessment and monitoring of ESG risks with an approach based on Key Risks.

[E1 IRO-1, 20 a]: The activities of telecommunications companies and their value chain can have a material impact on the global climate system due to the release of greenhouse gases or gases with high warming potential into the atmosphere. TIM in 2024 produced 2,427,883.42 tons of $C0_2$ equivalent (tCO_2eq) of total Location-Based GHG emissions and 2,181,176.72 tCO_2eq of total Market-Based GHG emissions (see "Environmental Information" section, disclosure requirement E1-6 "Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions").

[E1 IRO-1, 20 b], [E1 2 IRO-1, 21]: In the Enterprise Risk Management process, **TIM has identified and evaluated in the short, medium and long term, physical risks related to rising temperatures**, which cause extreme weather events such as landslides, floods and overflows. These hydrogeological hazards can damage real estate and network assets, increase Assurance costs, and reduce production capacity due to thermal stress. TIM used qualitative and quantitative scenario analysis at the Group level to assess its climate strategy.

Specifically, among the scenarios proposed by NGFS (Network for Greening the Financial System), the scenario based on RCP 1.9 (1.5°C) (Representative Concentration Pathway - scenario with which an increase in emissions and consequent rise in temperature is associated) and RCP 4.5 (2.1°C-3°C) was considered.

The Group has chosen a scenario analysis for its climate strategy that assesses climate change risks as part of the Risk Management (ERM) framework. Risks to business assets, such as floods and inundations, and business continuity were considered. The analysis focused on hydrogeological risk and job performance.

With respect to hydrogeological risk (Net Zero Scenario by 2050), using Climada's hydrogeological risk maps, it was possible to correlate TIM assets with climate risk scenarios and quantify the impact based on reconstruction/rehabilitation costs. From the correlation between the value of exposure to risk and the vulnerability of the Assets, it was possible to quantify the increase in the risk value by 2030.

Regarding the risk of work performance disruption, the analysis shows that hot and humid weather conditions reduce overall work productivity by 9.84%. For TIM, the impact on job performance can translate into a reduction ranging from 0.8% (with a risk of 16 million euros) in the best case scenario of +1.4°C to a reduction of 2.4% (with a risk of 50 million euros) in the worst case scenario of +2°C.

TIM also assessed significant weather events in the ICT sector that may affect business operations and disrupt service business continuity, putting financial results at risk. It conducted a climate risk assessment to monitor potential damage to assets and the evolution of mitigation actions over time.

To ensure the continuity of Essential Communication Services during critical events or emergencies, TIM has carried out exercises to test and simulate, for example, the management of natural disasters, civil defense events, and computer failures. Vulnerability assessment tests are also conducted periodically for risks associated with IT systems, verifying the efficiency of implemented security countermeasures.

[E1 IRO-1, 20 c i, ii], [E1 IRO-1 21]: Transition risks from the introduction of a carbon tax on CO_2 emissions **and increased spending on the purchase or production of renewable energy** to curb emissions (Energy Overspending) were also considered in the Enterprise Risk Management process.

TIM has adopted Group-wide qualitative and quantitative scenario analyses to assess its climate strategy. In particular, the following scenario was considered among those proposed by NGFS (Network for Greening the Financial System) aligned with keeping the global temperature below 1.5°C: quantitative analysis with respect to the Net Zero target by 2040 focused on: a) potential regulatory obligations aimed at offsetting non-reducible CO_2 emissions, such as, for example, the introduction of the carbon tax; b) increased costs associated with the introduction of the carbon tax.

In the period up to 2040, a linear estimate of the gradual reduction of CO_2 emissions was made, with ten-year intervals. Possible failure to meet targets with hypothetical deviations of 10%, 20%, and 30%, and the associated economic impact were also estimated.

TIM also assessed significant weather events in the ICT sector that could affect business operations and disrupt service business continuity, putting financial results at risk.

Regarding the transition scenario and the introduction of a potential carbon tax in this decade, the impact on business strategy was immediate. An annual carbon tax was estimated based on the Group's total emissions, with a unit price of €83.50 per tCO_2 (average price 2024). To avoid this annual cost, TIM has brought forward the goal of using 100% renewable electricity for its Italian operations to 2025, while for Brazil the goal has already been met.

TIM has assessed transition risk, which could result in higher costs for business operations, particularly for initiatives to reduce emissions, as described in Disclosure Requirement E1-3 "Actions and Resources Related to Climate Change Policies".

The company conducted an in-depth analysis to identify assets and activities that may be incompatible with the transition to a zero-emission economy or require significant adjustment efforts. This assessment was conducted in accordance with Delegated Regulation (EU) 2021/2139 and the principles of the EU Taxonomy. Critical issues identified include data center and network infrastructure management, energy consumption, and dependence on fossil sources in the supply chain. To address these critical issues, TIM invests in data centers with environmentally-friendly cooling systems that use renewable energy. In addition, the company works with suppliers to reduce indirect emissions (Scope 3) by implementing more stringent ESG criteria in production processes.

[E5 IRO-1, 11 a]: The TIM Group has implemented a double materiality analysis process aimed at identifying the material impacts, risks, and opportunities associated with the use of resources and the circular economy, with particular reference to issues related to incoming resource flows, outgoing resource flows, and waste, carrying out an assessment that would take into account the effects produced by these IROs along the entire value chain, both upstream and downstream.

The analysis was conducted starting from the context in which the Group operates, its assets, its activities, and from an external analysis through the support of the Datamaran dynamic semantic engine, which, through the analysis of public documents, relevant regulations and sustainability reports of a representative sample of companies in the "Technology & Telecommunication" sector in Italy and Brazil, identified material issues related to the use of resources and the circular economy (ESRS E5). Following the materiality analysis, a single IRO associated with the ESRS E5 topic emerged as material, specifically a negative impact. This impact was attributable to the sub-topics "flows of outgoing resources" and "waste", thus making the sub-topic "flows of inbound resources" non-material.

[E5 IRO-1, 11b]: The materiality of the impacts, risks and opportunities associated with the use of resources and the circular economy was determined through one-to-one interviews with internal stakeholders and the administration of surveys to external stakeholders, including civil society in the latter category.

[G1 IRO-1, 6]: In considering the criteria used in the process to identify material IROs in relation to business conduct issues, the following were considered: the location of the Company, as TIM considers the geographic context of its operations, with a focus on areas where there are greater risks of negative impacts related to ethical issues, human rights, and regulatory compliance; its business, analyzing different business areas and operational activities, assessing exposure to risks of misconduct; the telecommunications sector in which it operates, as it is subject to stringent regulations as well as specific challenges in terms of privacy, data security and social responsibility; the structure of the operation, as the process considers corporate governance, how subsidiaries and joint ventures are managed, and compliance and internal control policies designed to prevent unethical behavior.

Index of ESRS contents and contents from other EU legislative acts

Disclosure Requirement IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement

[56]: In line with regulatory requirements, the following is the list of disclosure requirements represented in the Sustainability Report 2024, based on the results of the double materiality analysis. For the purpose of selecting the reported disclosure requirements, the following were excluded:

- requests related to the topics "ESRS E2 - Pollution," "ESRS E3 - Water and Marine Resources," and "ESRS E4 - Biodiversity and Ecosystems," which emerged as not material;
- additional requests for details related to the issues that emerged as material but for which, after a subsequent evaluation considering the Group's operational context and actual applicability, were considered as not material.

[56]: ESRS Content Index

ESRS Standard	Disclosure Requirement	Phase-in	Page
General Information			
ESRS 2	**Basis for preparation**		
	BP-1 General criteria for preparing sustainability statements		126
	BP-2 Disclosure related to specific circumstances		127
	Governance		
	GOV-1 Role of administrative, management and supervisory bodies		129
	GOV-2 Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them		132
	GOV-3 Integrating sustainability performance into incentive systems		134
	GOV-4 Statement on due diligence		135
	GOV-5 – Risk management and internal controls over sustainability reporting		136
	Strategy		
	SBM-1 Strategy, business model and value chain		137
	SBM-2 Interests and views of stakeholders		142
	SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model		144
	Impact, risk, and opportunity management		
	IRO-1 Description of processes to identify and assess relevant impacts, risks, and opportunities		152
	Index of ESRS contents and contents from other EU legislative acts		
	IRO-2 - Disclosure requirements in ESRS covered by the company's sustainability statement		156

Environmental Information			
Taxonomy			165
E1 Climate Change	**Governance**		
	E1 GOV-3 – Integration of sustainability-related performance in incentive schemes		135
	Strategy		
	E1-1 – Transition plan for climate change mitigation		180
	E1 ESRS 3 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Datapoint RA 7c subject to phase-in	180
	Impact, risk, and opportunity management		
	E1 IRO-1 Description of processes to identify and assess relevant climate-related impacts, risks, and opportunities		153
	MDR-P Policies adopted to manage relevant sustainability issues		182
	E1-2 - Policies related to climate change mitigation and adaptation		182
	MDR-A Actions and resources related to relevant sustainability issues		185
	E1-3 Actions and resources related to climate change policies		185
	Metrics and Targets		
	MDR-T Monitoring the effectiveness of policies and actions through targets		190
	E1-4 Targets related to climate change mitigation and adaptation		190
	MDR-M Metrics related to relevant sustainability issues		191, 193, 197
	E1-5 Energy consumption and mix		191
	E1-6 Gross Scopes 1,2,3 and Total GHG emissions		193
	E1-7 GHG removals and GHG emission mitigation projects financed with carbon credits		197
	E1-8 Internal carbon pricing		(The Group does not set an internal carbon price)
	E1-9 – Anticipated financial effects of material physical and transition risks and potential climate-related opportunities	Disclosure requirement subject to phase-in	-
E5 Resource use and circular economy	**Impact, risk, and opportunity management**		
	E5 IRO-1 Description of processes to identify and assess relevant impacts, risks, and opportunities related to resource use and the circular economy		154
	MDR-P Policies adopted to manage relevant sustainability issues		198
	E5-1 – Policies related to resource use and circular economy		198
	MDR-A Actions and resources related to relevant sustainability issues		199
	E5-2 Actions and resources related to resource use and circular economy		199
	Metrics and Targets		
	MDR-T Monitoring the effectiveness of policies and actions through targets		201
	E5-3 Goals related to resource use and circular economy		201
	MDR-M Metrics related to relevant sustainability issues		204
	E5-5 Resource outflows		202
	E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities	Disclosure requirement subject to phase-in	-

Social Information			
S1 Own workforce	**Strategy**		
	S1 SBM-2 Stakeholders' interests and opinions		204
	S1 SBM-3 Relevant impacts, risks, and opportunities and their interaction with the strategy and business model		204
	Impact, risk, and opportunity management		
	MDR-P Policies adopted to manage relevant sustainability issues		205
	S1-1 Policies related to own workforce		205
	S1-2 Processes for engaging own workforce and employee representatives on impacts		211
	S1-3 Processes to remedy negative impacts and channels for own workers to raise concerns		212
	MDR-A Actions and resources related to relevant sustainability issues		214
	S1-4 Action on relevant impacts to own workforce and approaches for managing relevant risks and pursuing relevant opportunities in relation to own workforce, and effectiveness of such actions		214
	Metrics and Targets		
	MDR-T Monitoring the effectiveness of policies and actions through targets		220
	S1-5 Goals related to managing relevant negative impacts, enhancing positive impacts, and managing relevant risks and opportunities		220
	MDR-M Metrics related to relevant sustainability issues		221, 222, 223, 225, 226, 227, 228
	S1-6 Characteristics of the undertaking's employees		221
	S1-7 Characteristics of non-employee workers in the undertaking's own workforce	Disclosure requirement subject to phase-in	-
	S1-8 Collective bargaining coverage and social dialogue		222
	S1-9 Diversity metrics		223
	S1-10 Adequate wages		225
	S1-11 Social protection	Disclosure requirement subject to phase-in	-
	S1-12 Persons with disabilities		225
	S1-13 Training and skills development metrics		226
	S1-14 Health and safety metrics	Datapoints 88a,b,c and RA80 subject to phase-in limited to non-employees	226
	S1-15 Work-life balance metrics		227
	S1-16 Remuneration metrics (pay gap and total remuneration)		227
	S1-17 Incidents, complaints and severe human rights impacts		228
S2 Workers in the value chain	**Strategy**		
	S2 SBM-2 Stakeholders' interests and opinions		229
	S2 SBM-3 Relevant impacts, risks, and opportunities and their interaction with strategy and business model		229
	Impact, risk, and opportunity management		
	MDR-P Policies adopted to manage relevant sustainability issues		229
	S2-1 Policies related to workers in the value chain		229
	S2-2 Processes for involving workers in the value chain on impacts		232
	S2-3 Processes to remedy negative impacts and channels for workers in the value chain to voice concerns		233
	MDR-A Actions and resources related to relevant sustainability issues		233
	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions		233
	Metrics and Targets		
	MDR-T Monitoring the effectiveness of policies and actions through targets		235
	S2-5 Targets related to managing relevant negative impacts, enhancing positive impacts, and managing relevant risks and opportunities		235

S3 Affected communities	**Strategy**		
	S3 SBM-2 Stakeholders' interests and opinions		236
	S3 SBM-3 Relevant impacts, risks, and opportunities and their interaction with the strategy and business model		236
	Impact, risk, and opportunity management		
	MDR-P Policies adopted to manage relevant sustainability issues		236
	S3-1 Policies related to affected communities		236
	S3-2 Processes for engaging with affected communities about impacts		238
	MDR-A Actions and resources related to relevant sustainability issues		239
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		239
	Metrics and Targets		
	MDR-T Monitoring the effectiveness of policies and actions through targets		240
	S3-5 Targets related to managing relevant negative impacts, enhancing positive impacts, and managing relevant risks and opportunities		240
S4 Consumers and end-users	**Strategy**		
	S4 SBM-2 Stakeholders' interests and opinions		241
	S4 SBM-3 Relevant impacts, risks, and opportunities and their interaction with the strategy and business model		241
	Impact, risk, and opportunity management		
	MDR-P Policies adopted to manage relevant sustainability issues		242
	S4-1 Policies related to consumers and end-users		242
	S4-2 Processes for engaging consumers and end users about impacts		246
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		248
	MDR-A Actions and resources related to relevant sustainability issues		248
	S4-4 Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions		248
	Metrics and Targets		
	MDR-T Monitoring the effectiveness of policies and actions through targets		254
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		254
Governance Information			
G1 - Business conduct	**Impact, risk, and opportunity management**		
	G1 GOV-1 Role of administrative, management and supervisory bodies		131
	G1 IRO-1 Description of processes to identify and assess relevant impacts, risks, and opportunities		154
	MDR-P Policies adopted to manage relevant sustainability issues		255
	G1-1 Business conduct policies and corporate culture		255
	MDR-A Actions and resources related to relevant sustainability issues		260
	G1-2 Supplier relationship management		260
	G1-3 Prevention and detection of corruption and bribery		262
	Metrics and Targets		
	G1-4 Incidents of corruption or bribery		263
	G1-6 Payment practices		263

Phase-in: *Disclosure requirements/paragraphs (datapoints) for which TIM does not provide disclosure as they are subject to the possibility of gradual introduction*

Instead, the following table maps all the paragraphs (datapoints) with related disclosure requirements that, in addition to CSRD, respond to other EU regulations, such as the *"Sustainable Finance Disclosure Regulation"* (SFDR), the *"Capital Requirements Regulation"* (Pillar 3), the *"Benchmark Indices Regulation,"* and the *"European Climate Act."* If the paragraph is reported by TIM as relevant, the reference page where to find the information is given. On the other hand, if the paragraph is not accounted for, the number is not specified.

Paragraph and corresponding Disclosure Requirement.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Annex 1, Table 1, Indicator number 13		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		129
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Commission Delegated Regulation Commission (EU) 2020/1816, Annex II		130
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex 1, Table 3, Indicator number 10				135
ESRS 2 SBM-1 Engagement in activities related to fossil fuel activities, paragraph 40 (d) i	Annex 1, Table 1, Indicator number 4	Article 449-bis of Regulation (EU) no. 575/2013; implementing regulation (EU) 2022/2453 of the Commission (6), Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Engagement in activities related to chemical production paragraph 40 (d) ii	Annex 1, Table 2, Indicator number 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Annex 1, Table 1, Indicator number 14		Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 (7) and Annex II of Delegated Regulation (EU) 2020/1816		-
ESRS 2 SBM-1 Engagement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		-
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	-
ESRS E1-1 Companies excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 1: Bank portfolio — Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and remaining duration	Article 12, paragraphs 1 d) to g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		-
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex 1, Table 2, Indicator number 4	Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 3: Bank portfolio — Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		190

ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Annex 1, Table 1, Indicator number 5 and Annex 1, Table 2, Indicator number 5				192
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex 1, Table 1, Indicator number 5				191
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex 1, Table 1, Indicator number 6				192, 193
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex 1, Table 1, Indicator numbers 1 and 2	Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 1: Bank portfolio — Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and remaining duration	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		193
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	Annex 1, Table 1, Indicator number 3	Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 3: Bank portfolio — Indicators of potential transition risk related to climate change: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		197
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	197
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449-bis of Regulation (EU) no. 575/2013; points 46 and 47 of the Commission's Implementing Regulation (EU) 2022/2453; Model 5: Bank portfolio — Indicators of potential transition risk related to climate change: exposures subject to physical risk			phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		Article 449-bis of Regulation (EU) no. 575/2013; point 34 of the Commission's Implementing Regulation (EU) 2022/2453; Model 2: Bank portfolio — Indicators of potential transition risk related to climate change: loans secured by real estate — Energy efficiency of collateral			phase-in

ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Annex 1, Table 1, Indicator number 8; Annex 1, Table 2, Indicator number 2; Annex 1, Table 2, Indicator number 1; Annex 1, Table 2, Indicator number 3				-
ESRS E3-1 Water and marine resources, paragraph 9	Annex 1, Table 2, Indicator no. 7				-
ESRS E3-1 Dedicated policy, paragraph 13	Annex 1, Table 2, Indicator number 8				-
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex 1, Table 2, Indicator number 12				-
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Annex 1, Table 2, Indicator number 6.2				-
ESRS E3-4 Total water consumption in m3 compared to net revenue on own operations, paragraph 29	Annex 1, Table 2, Indicator no. 6.1				-
ESRS 2 IRO-1 - E4 paragraph 16 (a) i	Annex 1, Table 1, Indicator no. 7				-
ESRS 2 IRO-1 — E4 paragraph 16, letter b)	Annex 1, Table 2, Indicator no. 10				-
ESRS 2 IRO-1 — E4 paragraph 16, letter c)	Annex 1, Table 2, Indicator no. 14				-
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Annex 1, Table 2, Indicator no. 11				-
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Annex 1, Table 2, Indicator no. 12				-
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Annex 1, Table 2, Indicator no. 15				-
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Annex 1, Table 2, Indicator no. 13				204
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex 1, Table 1, Indicator no. 9				205
ESRS 2 – SBM3 – S1 Risk of incidents of forced labor, paragraph 14 f)	Annex 1, Table 3, Indicator number 13				206
ESRS 2 – SBM3 – S1 Risk of incidents of child labor, paragraph 14 g)	Annex I, Table 3, indicator no. 12				206
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex 1, Table 3, Indicator number 9 and Annex 1, Table 1, Indicator no. 11				212

ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		212
ESRS S1-1 processes and measures for preventing trafficking in human beings, paragraph 22	Annex 1, Table 3, Indicator no. 11				213
ESRS S1-1 workplace accident prevention policy or management system, paragraph 23	Annex 1, Table 3, Indicator no. 1				213
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Annex I, Table 3, indicator no. 5				215
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 b) and c)	Annex I, Table 3, indicator no. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		229, 230
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Annex I, Table 3, Indicator no. 3				230
ESRS S1-16 Unjust gender pay gap, paragraph 97 a)	Annex I, Table 1, Indicator no. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		230
ESRS S1-16 Excess pay gap in favor of the CEO, paragraph 97 b)	Annex I, Table 3, Indicator no. 8				231
ESRS S1-17 Incidents related to discrimination, paragraph 103 a)	Annex I, Table 3, Indicator no. 7				231
ESR S1-17 Failure to observe the United Nations and OECD guiding principles on business and human rights, paragraph 104 a)	Annex 1, Table 1, Indicator number 10 and Annex 1, Table 3, Indicator no. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		231
ESRS 2 SBM-3 – S2 Severe risk of child labor or forced labor in the value chain, paragraph 11 b)	Annex I, Table 3, Indicators 12 and 13				232
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex 1, Table 3, Indicator number 9 and Annex 1, Table 1, Indicator no. 11				234
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, Indicators 11 and 4				235
ESRS S2-1 Failure to observe the United Nations and OECD guiding principles on business and human rights and the OECD guidelines, paragraph 19	Annex I, Table 1, Indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		235
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		235

ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex I, Table 3, Indicator no. 14				238
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex 1, Table 3, Indicator number 9 and Annex 1, Table 1, Indicator no. 11				241
ESRS S3-1 Failure to observe the UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Annex I, Table 1, Indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		241
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, Table 3, Indicator no. 14				243
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Annex 1, Table 3, Indicator number 9 and Annex 1, Table 1, Indicator no. 11				249
ESRS S4-1 Failure to observe the United Nations and OECD guiding principles on business and human rights and the OECD guidelines, paragraph 17	Annex I, Table 1, Indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1), of Delegated Regulation (EU) 2020/1818		249
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, Table 3, Indicator no. 14				256
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 b)	Annex I, Table 3, Indicator no. 15				-
ESRS G1-1 Protection of whistleblowers, paragraph 10 d)	Annex I, Table 3, Indicator no. 6				-
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 a)	Annex I, Table 3, Indicator no. 17		Annex II of Delegated Regulation (EU) 2020/1816		266
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 b)	Annex I, Table 3, Indicator no. 16				266

[57]: Climate change has been considered significant and therefore the disclosure requirements of ESRS E1 “Climate Change” will be reported.

[59]: Material impacts, risks, and opportunities, identified according to the criteria and thresholds outlined in IRO 1 “Description of the process for identifying and assessing material impacts, risks, and opportunities” datapoints [53 b iv] and [53 c ii], in order to determine the material information to be disclosed were associated with the topics, sub-topics, and sub-sub-topics consistent with what is in ESRS 1, Section 3.2 Material Issues and Materiality of Information and Appendix A.

2. ENVIRONMENTAL INFORMATION

Taxonomy

Implementation of the European Taxonomy in the TIM Group

The European Taxonomy, pursuant to Regulation 2020/852 of June 20, 2020 and Delegated Regulation 2021/2178 of 6 July 2021, is a classification system that aims to provide a clear and consistent picture of economic activities that can be considered environmentally sustainable.

In this section, the TIM Group's economic activities that fall under the definitions of environmentally sustainable activities contained in the legislation and, therefore, are likely to contribute substantially to one, or more, of the six environmental objectives pursued by the European Union are explained:

1. climate change mitigation
2. adaptation to climate change
3. sustainable use and protection of water and marine resources
4. transition to a circular economy
5. pollution prevention and reduction
6. protection and restoration of biodiversity and ecosystems.

Economic activities are defined as sustainable, that is, "aligned" with the Taxonomy, if they simultaneously meet the following conditions:

- contribute substantially to one or more of the EU's six environmental objectives;
- do not cause significant harm to any of the other taxonomic objectives, the principle of "Do No Significant Harm" - DNSH;
- are carried out in compliance with the Minimum Safeguards adopted by companies to ensure responsible business conduct;
- comply with the Technical Screening Criteria-TSC established by the European Commission.

The TIM Group conducted the eligibility analysis and alignment of its activities with the European Taxonomy with regard to all six environmental objectives, but, compared to previous years, it had a different business scope as a result of the contribution to FiberCop of the business unit including the fixed network infrastructure and wholesale activities on July 1, 2024. The results reflect the new business perimeter, thus determining a discontinuity in the comparability of values compared to the previous year.

The economic activities identified belong to the following Group companies: TIM S.p.A., Noovle S.p.A., Olivetti S.p.A., TI Sparkle S.p.A. and TIM S. A. (Brazil business unit).

The scope of eligibility of the TIM Group[5]

The identification of eligible economic activities consisted of four phases:

- **a desk analysis** to compare the TIM Group's business with the classification of sustainable economic activities provided by the regulations;
- **the preparation of the list** of potentially eligible **activities;**
- **validation of the list** through interaction with the business functions in charge of the activities;
- **collection of information acquired** through the ESG Platform to formalize the process.

At the end of this process, **78 activities** were mapped.

Below is a table with a summary of the economic activities included in the scope of eligibility of the TIM Group.

[5] Delegated Regulation 2021/2178, paragraph 1.2.2. — Assessment of compliance with Regulation (EU) 2020/852

Economic activities	Description of TIM activities	Objective	Company
4.1 Power Generation by Photovoltaic Solar Technology	• **Powering of the network** with electricity generated by photovoltaic solar technology. Energy is produced by 113 power plants. • **4G mobile connectivity** generated by solar-powered antennas from satellite-connected solar panels. This activity makes it possible to bring coverage even to remote areas of the country that are more difficult to reach and connect.	Mitigation to climate change/ Adaptation to climate change	TIM S.A.
4.5 Power generation starting from hydroelectric energy	• **Powering the network** with electricity generated from hydroelectric energy. Energy is produced by 14 power plants.	Mitigation to climate change/ Adaptation to climate change	TIM S.A.
4.8 Power generation from bioenergy	• **Powering the network** with electricity generated from bioenergy. Energy is produced by 2 power plants.	Mitigation to climate change/ Adaptation to climate change	TIM S.A.
4.30 High-performance cogeneration of heat/cold and electricity from gaseous fossil fuels	• **Operation and maintenance of three high-efficiency cogeneration plants** in data centers for combined heat/cool and power generation, with benefits in terms of reduced losses from separate power generation and fuel savings.	Mitigation to climate change/ Adaptation to climate change	Noovle S.p.A.
5.1 Construction, expansion and management of water collection, treatment and supply systems	• **Implementation of a remote water monitoring system** to monitor and report water consumption in Core and Public Cloud Data Centers using the Water Usage Effectiveness (WUE) indicator	Mitigation to climate change/ Adaptation to climate change	Noovle S.p.A.
7.3. Installation, maintenance and repair of energy efficiency devices	**Extraordinary or evolutionary maintenance for Data Centers** that consists of: • repair and efficiency improvement of industrial assets or ancillary services serving the Data Center; • technological refresh for obsolescence with the installation of more performing industrial equipment in terms of energy efficiency	Mitigation to climate change/ Adaptation to climate change	Noovle S.p.A.
7.5 Installation, maintenance and repair of tools and devices for measuring, regulating and controlling the energy performance of buildings	• **Implementation of new energy meters** in the data centers used by the National Strategic Plan (NSP) to improve the monitoring and efficiency of energy consumption; • **Installation of new meter for monitoring the remaining autonomy of uninterruptible power supplies (UPSs)** to check load and unload levels; • **Installation of new probes for temperature and humidity detection;** • **Implementation of temperature monitoring sensors** in building management systems and refrigeration units, to optimize climate control and energy efficiency.	Mitigation to climate change/ Adaptation to climate change	Noovle S.p.A.
7.6 Installation, Maintenance, and Repair of Renewable Energy Technologies	• **Construction of two new photovoltaic systems,** one at the West Milan site and one at the West Turin site.	Mitigation to climate change/ Adaptation to climate change	Noovle S.p.A.

<table>
<tr><td>8.1 Data processing, hosting and related activities</td><td>Data processing, hosting and related activities carried out in TIM Group Data Centers. Specifically:
• cloud infrastructure services that enable TIM to implement digital solutions characterized by maximum efficiency, modularity, scalability, and security;
• data center services, i.e. colocation solutions, housing and value-added infrastructure services.

Noovle Data Centers
They are distributed throughout the country for a total of 50,000 square meters of systems rooms and approx. 100.8 MW of power available at the Points of Delivery (POD) of the electrical cabinets.
There are 7 Core Data Center offering maximum-performance cloud and co-location services; 6 Public Cloud Data Centers, where the platforms of the largest international public cloud providers operate with the highest levels of performance; 3 Service Centers i.e., secure and reliable micro-data centers near customer locations.
A high-speed network connects Data Centers to provide low-latency business continuity and disaster recovery solutions between Noovle Data Centers or between Noovle Data Centers and the customer's site.
Noovle Data Centers host both "market solutions," that is, digital services offered in the market by TIM and other Group companies, including Olivetti; and "captive solutions," i.e., digital services that support the business and operations of TIM itself and other TIM Group companies. This is complemented by Disaster Recovery and Proximity solutions to ensure security and territorial coverage.

Sparkle Data Centers
They offer colocation services on a global scale.
Data centers in Greece include a total area of 14,000 square meters; three are located in Athens in the areas of Koropi and Metamorfosis (Tier III certificate) and one in Chania on the island of Crete.
Data Center in Turkey, located in Yenibosna, is one of the largest and most important colocation facilities in Turkey. Thanks to its neutrality, it houses the majority of national and international suppliers.
Data Center in Panama is located in Corozal and is one of the largest and most important open colocation facilities in Panama. The New Generation Data Center platform is designed to meet the needs of customers looking to expand their presence in Central America.
Data Centers occupy a total area of about 1,750 square meters and the total installed power is 4.7 MW between the Milan and Palermo Data Centers. The last-named center, Sicily Open Data Center, is a Data Center that allows customers to be managed in colocation through state-of-the-art data security technologies. In addition, there are other Landing Hubs for submarine cable systems in the Italian territory.

TIM S.A. Data Center in Brazil
Certifications: data centers are certified to ABNT NBR 15247 offering the highest level of physical security for rooms, considering fire resistance and other levels of protection not covered by other certifications, such as: protection against fire, heat, humidity, water, improper access and breaking and entering - as well as redundant electrical and air conditioning facilities. 30% of TIM S.A.'s Data Centers. (100% of IT DCs) are covered by ISO 14001 certification.
Security: buildings where data centers are located have an Atmospheric Discharge Protection System (ADPS). The rooms have fire fighting systems (SDAEI) and raised floors.
Water management: the air-conditioning system has sensors that warn of low water levels and cut off the supply.
Energy consumption: the average PUE in 2024 was 1.64, achieving the goal of keeping this parameter below 1.66.</td><td>Mitigation to climate change/ Adaptation to climate change</td><td>TIM S.p.A.
Olivetti S.p.A.
Telecom Italia Sparkle S.p.A.
TIM S.A.
Noovle S.p.A.</td></tr>
<tr><td>8.3 Programming and broadcasting activities</td><td>• Programming and broadcasting of audiovisual content delivered through the marketing of the TIMVISION offering. The offer includes movies, TV series, sports and other entertainment programs that can be enjoyed by taking out a monthly subscription, which also includes a range of content that can be purchased (thus enjoyed countless times) or rented (thus enjoyed for a limited period).</td><td>Adaptation to climate change</td><td>TIM S.p.A.</td></tr>
<tr><td>5.3 Preparing for reuse of end-of-life products and product components</td><td>• Reuse of "decommissioned equipment" located at the customer's premises" (Customer Premises Equipment) such as modems and routers. The initiative envisages that the material is collected, evaluated and, depending on the conditions, put through the reconditioning process for a new use.
• Trade-in program on mobile phones and smartwatches where customers can return their old devices and obtain a discount on the purchase of new models. All devices undergo a detailed evaluation and/or repair process to be reused/resold. Equipment that cannot be reused or reconditioned is sent for recycling.</td><td>Transition to a circular economy</td><td>TIM S.A.</td></tr>
<tr><td>5.4. Sale of second-hand goods</td><td>• Offering of reconditioned smartphones (TIM). In 2024, five grade A reconditioned models were in the price list, which guarantee customers high-quality devices at an affordable price and with a lower environmental impact. Smartphones, which can be purchased with immediate payment or installment solutions, are available at TIM outlets and on digital channels. TIM purchases products from specialized suppliers that perform reconditioning through a rigorous process of repairing, replacing and updating damaged or worn components.
• Supply of regenerated toners (Olivetti). Regenerated cartridges are empty original cartridges that are refilled with toner and, if necessary, repaired before being reintroduced into the market. This process reduces waste and environmental impact while maintaining high print quality.</td><td>Transition to a circular economy</td><td>TIM S.p.A.
Olivetti S.p.A.</td></tr>
</table>

5.5. Product-as-a-Service and other service models geared towards circular use and results	• **Rental of mobile devices, for Multibusiness customers**. The formula involves the rental of a number of smartphones equal to the users activated with the contract concluded with TIM, at the end of which, unless there are any renewals, the customer is required to return the rented devices. The initiative guarantees greater flexibility in the management of corporate devices, optimizing technological resources and contributing to the reduction of the environmental impact associated with the production and disposal of equipment.	Transition to a circular economy	TIM S.p.A.
4.1.“Provision of solutions based on IT/OT (information technology/ operational technologies) data for the reduction of losses	**Solutions for water network operators** that provide: • **Implementation of advanced telecontrol systems** for monitoring and management of water infrastructure. The initiative involves the use of an advanced technology, Supervisory Control and Data Acquisition (SCADA), which allows real time data collection from the various sensors, sending commands to devices to control and optimize operations and store the data collected, allowing historical analyses that can be used to improve operational efficiency; • **Maintenance of remote control systems** in the water sector, with monitoring of water pressure and flow to promptly identify any leaks and activate rapid actions.	Sustainable use and protection of water and marine resources	Olivetti S.p.A.

Verification of alignment of technical screening criteria and DNSH

The verification activity required identification of the relevant technical functions. In some cases, the verification was the responsibility of a single function, in other cases it was necessary to involve multiple functions and/or even third parties that collaborate with the TIM Group in the management of eligible economic activities. Technical and DNSH criteria alignment analysis information has been consolidated on the ESG Platform to ensure accountability of the verification process. The analysis of the TIM Group's business activities showed that they are not aligned with the technical and DNSH criteria, but at the same time identified future investments needed to ensure regulatory compliance.

In relation to Activity 8.3 for the CCA objective, the TIM Group verified compliance with the eligibility criteria, including the analysis of climate risks on assets and the resulting adaptation plan.

Verification of compliance with the Minimum Safeguard Guarantees

The TIM Group conducts its economic activities in compliance with the minimum safeguards set forth in Article 18 of EU Regulation 2020/852. In fact, the company’s operations are subject to compliance with numerous policies and control tools in line with regulations.

Human Rights

- membership of the United Nations Global Compact;
- adoption of the "Human Rights Policy" that applies to all employees and partners, at home and abroad, which includes issues such as human trafficking, forced labor, child labor, discrimination, freedom of association, collective bargaining, equal pay, and health and safety. It is inspired by the Group’s “Code of Ethics” and referred to by the main corporate documents. In Brazil, TIM S.A. complements its commitment to human rights with its "Social Responsibility Policy."

Corruption

- Compliance with the values expressed in the "Code of Ethics and Conduct."
- Adoption of the “Anti-Corruption Policy” that defines standards and rules to prevent corruption. In addition, in Brazil, TIM S.A. has implemented an “Anti-Corruption Management Manual” with related training for employees.
- Adoption of an Anti-corruption Management System in accordance with the UNI ISO 37001 standard.

Taxation

- Tax strategy based on honesty, fairness and compliance, including cooperative and transparent behavior towards tax authorities and third parties in order to reduce impacts in terms of tax or reputational risk (“TIM Tax Strategy”).
- Tax risk management and control system with stringent governance;
- Involvement of Top Management and the Tax Function in business decisions;
- Periodic review of the control system by the Board of Directors;
- Audit in accordance with Brazilian and international standards by TIM S.A.

Fair Competition

- “Antitrust Code of Conduct” approved by the Board of Directors.
- Antitrust Compliance Program aimed at all employees;
- Regular training in antitrust matters;
- Adoption of the "Competition Defense Policy" by TIM S.A.

Criteria for calculating the required KPIs for eligible and aligned activities

Below are the accounting criteria adopted for calculating the three KPIs required for eligible and aligned economic activities. The definition of these indicators was carried out in accordance with the provisions of Annex I of Delegated Regulation (EU) 2021/2178.

KPI	Description	References to the Consolidated Financial Statements
Turnover	The **numerator** is the net revenues associated with the sale of Group products and services related to activities eligible and/or aligned with the EU Taxonomy, as explained in point 1.1.1 of the Delegated Act. The **denominator** is identified by referring to the item "revenues" of the Consolidated Overall Income Statement as at 2024, drawn up in accordance with the provisions of accounting standard IAS 1.82(a).	Note 26: Revenues
CapEx	The **numerator** indicates the share of capital expenses recognized in the assets of the consolidated financial statements, associated with eligible activities and defined on the basis of the criteria pursuant to point 1.1.2.2 of the Delegated Act. The **denominator** includes increases in tangible and intangible assets during the year considered before depreciation, amortization, impairment and any revaluation, including those arising from restatements and reductions in value and excluding changes in fair value. The denominator also includes increases in tangible and intangible assets resulting from business combinations.	Note 5, 6 and 7: Intangible assets with finite useful life, tangible assets and rights of use assets
OpEx	The **numerator** refers to the share of operating expenses associated with eligible activities and defined based on the criteria set out in point 1.1.3.2 of the Delegated Act. To avoid the risk of double-counting, only eligible and aligned operating expenses directly linked to economic activities that meet the Taxonomy criteria were considered. The **denominator** shows the total operating expenses quantified based on the criteria set out in point 1.1.3.1 of the Delegated Act and is the proportion of direct non-capitalized costs related to research and development, building renovation measures, short-term rental, maintenance and repair as well as to any other direct expense related to the daily maintenance of buildings, plants and machinery of the Delegated Act.	The OpEx defined by the European Taxonomy differs from that indicated in the consolidated financial statements, since it includes only the direct costs of maintaining and repairing tangible assets, excluding many other corporate operating expenses. This aspect makes direct reconciliation difficult, since these costs can be distributed across different accounting items in the consolidated financial statements.

The data relating to turnover, operating expenses and capital expenses for eligible activities aligned with the Taxonomy, used for the calculation of performance indicators (KPIs) was extracted from the general accounting and analytical systems of the Group's consolidated companies. Where it was not possible to break down the economic amounts in a precise manner, a management estimate was used. Where necessary, the accounting data has been adjusted to ensure compliance with the IFRS adopted in the TIM Group's consolidated financial statements, also applying appropriate consolidation deletions (intercompany transactions, elimination of internal profits, etc.).

Contextual information on the KPI related to turnover[6]

With regard to the Turnover KPI, the eligible net revenues of €107,652.48k which contribute to this indicator, are broken down as follows:

- Activity 5.3 CE - preparing for reuse of end-of-life products and product components: €567.69k
- Activity 5.4 CE - sale of second-hand goods: €244k
- Activity 5.5 CE - rental of mobile devices: €3,736k
- Activity 8.1 CCM - data processing, hosting, and related activities: €102,926k
- Activity 4.1. WTR - provision of solutions based on IT/OT (information technology/operational technologies) data for the reduction of losses: €178.79k

Contextual information on the KPI related to operating expenses[7]

With regard to the CapEx KPI, capital expenditures and asset increases that form the KPI numerator equal to €78,799,07k are broken down as follows:

- Activity 5.1 CCM - construction, expansion and management of water collection, treatment and supply systems: €250.17k
- Activity 5.5 CE - rental of mobile devices: €2,757k
- Activity 7.3. CCM - Installation, maintenance and repair of energy efficiency devices: €176.43k

[6] Del. Reg. 2021/2178 — paragraph 1.2.3.1.
[7] Del. Reg. 2021/2178 — paragraph 1.2.3.2

- Activity 7.5 CCM - Installation, maintenance and repair of tools and devices for measuring, regulating and controlling the energy performance of buildings: €360.66k
- Activity 7.6 CCM - installation, maintenance, and repair of renewable energy technologies: €333.90k
- Activity 8.1 CCM - data processing, hosting, and related activities: €45,922.91k
- Activity 8.3 CCA - programming and broadcasting activities: €28,998.00k

Contextual information on the KPI related to operating expenses[8]

With regard to the OpEx KPI, the operating expenses that form the KPI numerator equal to €106,513.63k, are broken down as follows:

- Activity 4.1 CCM - power generated by photovoltaic systems: €18,663.65k
- Activity 4.5 CCM - power generated by hydroelectric systems: €5,415.20k
- Activity 4.8 CCM - power generated from bioenergy: €4,027.78k
- Activity 4.30 CCM - power generated from gaseous fossil fuels: €705.60k
- Activity 5.3 CE - preparing for reuse of end-of-life products and product components: €2,410.14k
- Activity 5.4 CE - sale of second-hand goods: €300.50k
- Activity 8.1 CCM - data processing, hosting, and related activities: €74,961.78k
- Activity 4.1. WTR - provision of solutions based on IT/OT (information technology/operational technologies) data for the reduction of losses: €28.98k

[8] Del. Reg. 2021/2178 — paragraph 1.2.3.3

Models for fundamental performance indicators (KPIs) of non-financial firms

Model — Share of turnover deriving from products or services associated with economic activities aligned with the taxonomy — Disclosure for the year 2024

2024 financial year	2024			Criteria for substantial contribution						DNSH (“Do No Significant Harm") criteria									
Economic activities	Code	Turnover	Turnover share, 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of Taxonomy aligned (A.1) or eligible (A.2) turnover 2023	Enabling activity category	Transitional activity category
Text		€000	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)			0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No		0.023%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No		0.023%		
Of which transitional			0%	0%						No	No	No	No	No	No		0%		
A.2 Activities eligible for taxonomy but not environmentally sustainable (activities not taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
4.1.“Provision of solutions based on IT/OT (information technology/operational technologies) data for the reduction of losses	WTR 4.1	178.79	0.001%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
5.3 Preparing for reuse of end-of-life products and product components	CE 5.3	567.69	0.004%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
5.4. Sale of second-hand goods	CE 5.4	244.00	0.002%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.01%		
5.5. Product-as-a-Service and other service models geared towards circular use and results	CE 5.5	3,736.00	0.03%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.03%		
8.1 Data processing, hosting and related activities	CCM/CCA 8.1	102,926.00	0.71%	EL	EL	N/EL	N/EL	N/EL	N/EL								4.31%		
Turnover from activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		107,652.48	0.75%	0.71%	0.00%	0.001%	0.00%	0.04%	0.00%								5.84%		
A. Turnover of activities eligible for the taxonomy (A.1 + A.2)		107,652.48	0.75%	0.71%	0.00%	0.001%	0.00%	0.04%	0.00%								5.86%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover of activities not eligible for taxonomy		14,333,896.52	99.3%																
Total		14,441,549.00	100.0%																

	Share of turnover/Total turnover	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.00%	0.71%
CCA	0.00%	0.71%
WTR	0.00%	0.001%
CE	0.00%	0.04%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Model — Share of capital expenditure (CapEx) deriving from products or services associated with economic activities aligned with the taxonomy — Disclosure relating to the year 2024

2024 financial year	2024			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria									
Economic activities	Code	CapEx	Share of CapEx, 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of CapEx aligned with (A.1) or eligible (A.2) for the taxonomy, 2023	Enabling activity category	Transitional activity category
Text		€000	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)			0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No		0.013%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No		0.013%		
Of which transitional			0%	0%						No	No	No	No	No	No		0%		
A.2 Activities eligible for taxonomy but not environmentally sustainable (activities not taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
5.1 Construction, expansion and management of water collection, treatment and supply systems	CCM/CCA 5.1	250.17	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL										
5.5. Product-as-a-Service and other service models geared towards circular use and results	CE 5.5	2,757.00	0.10%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
7.3. Installation, maintenance and repair of energy efficiency devices	CCM/CCA 7.3	176.43	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.60%		
7.5 Installation, maintenance and repair of tools and devices for measuring, regulating and controlling the energy performance of buildings	CCM/CCA 7.5	360.66	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL										
7.6 Installation, Maintenance, and Repair of Renewable Energy Technologies	CCM/CCA 7.6	333.90	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL										
8.1 Data processing, hosting and related activities	CCM/CCA 8.1	45,922.91	1.61%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.21%		
8.3 Programming and broadcasting activities	CCA 8.3	28,998.00	1.02%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.31%		
CapEx of activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		78,799.07	2.77%	1.65%	1.02%	0.000%	0.00%	0.10%	0.00%								5.96%		
A. CapEx of taxonomy-eligible for activities (A.1 + A.2)		78,799.07	2.77%	1.65%	1.02%	0.000%	0.00%	0.10%	0.00%								5.97%		

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY

CapEx of activities not eligible for taxonomy	2,769,443.93	97.23%
Total	2,848,243.00	100.00%

	Share of CapEx/Total CapEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.00%	1.65%
CCA	0.00%	2.67%
WTR	0.00%	0.00%
CE	0.00%	0.10%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Model — Share of operating expenses (OpEx) deriving from products or services associated with economic activities aligned with the taxonomy — Disclosure relating to 2024

2024 financial year	2024			Criteria for substantial contribution						DNSH ("Do No Significant Harm") criteria									
Economic activities	Code	OpEx	Share of OpEx, 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of OpEx aligned with (A.1) or eligible (A.2) for the taxonomy, 2023	Enabling activity category	Transitional activity category
Text		€000	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Operating expenses of environmentally sustainable activities (taxonomy-aligned) (A.1)			0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No		0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No		0 %		
Of which transitional			0%	0%						No	No	No	No	No	No		0 %		
A.2 Activities eligible for taxonomy but not environmentally sustainable (activities not taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
4.1 Power generation by solar and photovoltaic technology	CCM/CCA 4.1	18,663.65	1.32%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.78%		
4.1."Provision of solutions based on IT/OT (information technology/operational technologies) data for the reduction of losses	WTR 4.1	28.98	0.002%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
4.30 Mitigation High-performance cogeneration of heat/cold and electricity from gaseous fossil fuels	CCM/CCA 4.30	705.60	0.05%	EL	EL	N/EL	N/EL	N/EL	N/EL										
4.5 Power generation from hydropower	CCM/CCA 4.5	5,415.20	0.38%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.33%		
4.8 Power generation from bioenergy	CCM/CCA 4.8	4,027.78	0.29%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.16%		
5.3 Preparing for reuse of end-of-life products and product components	CE 5.3	2,410.14	0.17%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
5.4. Sale of second-hand goods	CE 5.4	300.50	0.02%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
8.1 Data processing, hosting and related activities	CCM/CCA 8.1	74,961.78	5.31%	EL	EL	N/EL	N/EL	N/EL	N/EL								11.44%		
Operating expenses of activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		106,513.63	7.55%	7.35%	0.00%	0.002%	0.00%	0.19%	0.00%								12.71%		
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		106,513.63	7.55%	7.35%	0.00%	0.002%	0.00%	0.19%	0.00%								12.71%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Operating expenses of activities not eligible for taxonomy		1,305,043.37	92.45%																
Total		1,411,557.00	100.00%																

	Share of OpEx/Total OpEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.00%	7.35%
CCA	0.00%	7.35%
WTR	0.00%	0.002%
CE	0.00%	0.19%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Model 1 - Nuclear and fossil gas related activities

Line	Activities related to nuclear energy	
1	The company carries out, finances or has exposure to research, development, demonstration and construction of innovative plants for the generation of electrical energy that produce energy from nuclear processes with a minimum amount of waste from the fuel cycle.	No
2	operation of new nuclear plants for the generation of electrical energy or process heat, also for district heating purposes or for industrial processes such as the production of hydrogen, and improvements to their safety, with the aid of the best available technologies.	No
3	The company carries out, finances or has exposure to the safe operation of existing nuclear plants that generate electrical energy or process heat, including for district heating or for industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety.	No
	Activities related to fossil gases	
4	The company carries out, finances or has exposure to the construction or management of plants for the production of electricity that use gaseous fossil fuels.	No
5	The company carries out, finances or has exposure to the construction, redevelopment and management of combined heat/cold and electricity generation plants that use gaseous fossil fuels.	Yes
6	The company carries out, finances or has exposure to the construction, redevelopment and management of heat generation plants that generate heat/cold using gaseous fossil fuels.	No

Model 2 - Economic activities aligned with the taxonomy (denominator)

Line	Economic activities	Turnover						CapEx						OpEx					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and share of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
2	Amount and share of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
3	Amount and share of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
4	Amount and share of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
5	Amount and share of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %
6	Amount and share of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
7	**Amount and share of other economic activities aligned with the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %
8	**Total applicable KPI**	14,441,549.00	100 %	14,441,549.00	100 %	14,441,549.00	100 %	2,848,243.00	100 %	2,848,243.00	100 %	2,848,243.00	100 %	1,411,557.00	100 %	1,411,557.00	100 %	1,411,557.00	100 %

Model 3 - Economic activities aligned with the taxonomy (numerator)																			
Line	Economic activities	Turnover						CapEx						OpEx					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and share of economic activity aligned with the taxonomy referred to in section 4.26 of Annexes I and II of delegated regulation (EU) 2021/2139 in the numerator of the applicable KPI																		
2	Amount and share of economic activity aligned with the taxonomy referred to in section 4.27 of Annexes I and II of delegated regulation (EU) 2021/2139 in the numerator of the applicable KPI																		
3	Amount and share of economic activity aligned with the taxonomy referred to in section 4.28 of Annexes I and II of delegated regulation (EU) 2021/2139 in the numerator of the applicable KPI																		
4	Amount and share of economic activity aligned with the taxonomy referred to in section 4.29 of Annexes I and II of delegated regulation (EU) 2021/2139 in the numerator of the applicable KPI																		
5	Amount and share of economic activity aligned with the taxonomy referred to in section 4.30 of Annexes I and II of delegated regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %
6	Amount and share of economic activity aligned with the taxonomy referred to in section 4.31 of Annexes I and II of delegated regulation (EU) 2021/2139 in the numerator of the applicable KPI																		
7	**Amount and share of other economic activities aligned with the taxonomy not included in lines 1 to 6 in the numerator of the applicable KPI**	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %
8	**Total amount and share of economic activities aligned with the taxonomy in the numerator of the applicable KPI**	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %

Model 4 — Eligible economic activities not aligned with the taxonomy																			
Line	Economic activities	Turnover						CapEx						OpEx					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and share of economic activity eligible for but not aligned with the taxonomy referred to in section 4.26 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
2	Amount and share of economic activity eligible for but not aligned with the taxonomy referred to in section 4.27 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
3	Amount and share of economic activity eligible for but not aligned with the taxonomy referred to in section 4.28 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
4	Amount and share of economic activity eligible for but not aligned with the taxonomy referred to in section 4.29 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
5	Amount and share of economic activity eligible for but not aligned with the taxonomy referred to in section 4.30 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %	0.00	0 %
6	Amount and share of economic activity eligible for but not aligned with the taxonomy referred to in section 4.31 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI																		
7	**Amount and share of other economic activities eligible for but not aligned with the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	102,926.00	100 %	102,926.00	100 %	0.00	100 %	76,042.07	100 %	47,044.07	100 %	28,998.00	100 %	103,774.01	100 %	103,774.01	100 %	0.00	100 %
8	**Total amount and share of economic activities eligible for but not aligned with the taxonomy in the denominator of the applicable KPI**	102,926.00	100 %	102,926.00	100 %	0.00	100 %	76,042.07	100 %	47,044.07	100 %	28,998.00	100 %	103,774.01	100 %	103,774.01	100 %	0.00	100 %

Model 5 — Economic activities not eligible for taxonomy							
Line	**Economic activities**	**Turnover**		**CapEx**		**OpEx**	
		Amount	**Percentuale**	**Amount**	**Percentuale**	**Amount**	**Percentuale**
1	Amount and share of economic activity referred to in line 1 of model 1 that is not eligible for the taxonomy in compliance with section 4.26 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2	Amount and share of economic activity referred to in line 2 of model 1 that is not eligible for the taxonomy in compliance with section 4.27 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3	Amount and share of economic activity referred to in line 3 of model 1 that is not eligible for the taxonomy in compliance with section 4.28 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4	Amount and share of economic activity referred to in line 4 of model 1 that is not eligible for the taxonomy in compliance with section 4.29 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5	Amount and share of economic activity referred to in line 5 of model 1 that is not eligible for the taxonomy in compliance with section 4.30 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0 %	0.00	0 %	0.00	0 %
6	Amount and share of economic activity referred to in line 6 of model 1 that is not eligible for the taxonomy in compliance with section 4.31 of Annexes I and II of delegated regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7	**Amount and share of other economic activities not eligible for the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	14,333,896.52	100 %	2,769,443.93	100 %	1,305,043.37	100 %
8	**Total amount and share of economic activities not eligible for the taxonomy in the denominator of the applicable KPI**	14,333,896.52	100 %	2,769,443.93	100 %	1,305,043.37	100 %

Climate Change [ESRS E1]

E1- Strategy

Disclosure Requirement E1-1 – Transition plan for climate change mitigation

[17]: The TIM Group, leader in telecommunications and ICT solutions in Italy and Brazil, intends to promote technological innovation and responsible digitalization, contributing to the well-being of people and communities. This approach is part of a framework that takes advantage of the opportunities of low-impact technologies and the circular economy, while helping to reduce the risks and impacts associated with climate change and the rapid increase in voice and data traffic, a phenomenon typical of the ICT sector.

In this scenario, **the Group's environmental strategy focuses on the progressive decarbonization of its activities and those related to the supply chain, both in Italy and Brazil**, through levers that include: the adoption of innovative technologies and resilient assets that guarantee high performance and the containment of energy consumption; the complete use of renewable energy, also through investment in self-production plants and in distributed generation projects; the promotion of circular models to reduce waste; the purchase of solutions and products with a certified carbon footprint.

2023 and 2024 were years of significant discontinuity in the measurement of the company's emissions. In 2023, TIM made a significant effort to improve the Scope 3 calculation methodology, which produced more reliable results, but at the same time, made it impossible to compare the emission performance with those of previous years.

Furthermore, on July 1, 2024, the completion of TIM's delayering plan through the sale of fixed network infrastructure assets to Kohlberg Kravis Roberts & Co. L.P. ("KKR") determined not only a different corporate structure, but also a significant change in the operating perimeter in terms of consistency of both infrastructure assets and personnel.

These significant changes in the company's structure and activities not only no longer allow the comparison of emission performance with those of previous years, requiring a new starting point from which to calculate progress, but they also affect the Group's decarbonization process, making it necessary to define a new Transition Plan. This will also involve a new validation of environmental objectives by the SBTi as required by the institution's recommendations in such cases.

However, the new structure of the company does not change the long-term strategic direction in environmental matters undertaken five years ago. In fact, as early as 2020, the Group identified specific long-term environmental targets aimed at ensuring the transition to a low carbon economy, such as the target of "100% purchase of renewable energy" to be reached by 2025 and "Carbon Neutrality" target, which, in addition to the mitigation of Scopes 1 and 2, also includes the use of neutralization actions for residual emissions to be reached by 2030.

In 2022, to accelerate the process of reducing greenhouse gas emissions, TIM also included in the ESG Plan the "Net zero" target by 2040 and an intermediate target relating to the reduction of supply chain emissions (deriving from the acquisition of goods and services and the use of the products sold) by 2030.

In the same year, the climate strategy was validated by the Science Based Targets initiative (SBTi), which confirmed its consistency with the objective of keeping global warming under 1.5°C, as established by the Paris Agreement on climate change.

On this occasion, the TIM Group committed itself to reducing absolute Scope 1 and 2 GHG emissions by 75% by 2030 compared to the 2019 reference year, in addition to confirming the supply of 100% renewable electricity by 2025 and the intermediate target relating to the reduction of supply chain emissions.

The announced commitments take into account the SBTi Criteria and Recommendations (version 4.2, April 2021), and have been defined on the basis of a structured transition plan to guarantee an annual emission reduction percentage in order to maintain the 1.5°C commitment.

Also in the 2025-27 Strategic Plan, TIM confirmed all the previous main emission targets, inserting a new intermediate target that consists in the drafting of a new transition plan for the 2025-2030 five-year period and which will have to set the decarbonization levers to be put in place in order to achieve the long-term environmental targets.

The plan will be presented and approved by the Group BOD in time for the 2025 Report. Starting from an assessment of the Company's current situation, including the analysis of risks and opportunities related to sustainability, the plan will contain evidence of the measures and initiatives necessary to achieve the long-term targets for decarbonization, as well as a rough indication of the indicators to measure progress and the financial, human and technical resources necessary for the implementation of the plan.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

[E1 SBM-3, 18]: In relation to the material risks connected to climate change that have been identified through the double materiality analysis, the following are the risks divided between transition risks and physical risks related to the climate.

Transition risks

- *The inability to effectively involve "suppliers in the reduction of emissions can cause the failure to achieve the climate objectives, with an impact on economic and financial results as well as reputational damage"*
- *"Regulatory changes to energy and environmental policies may affect the profitability of energy efficiency actions and the use of renewable sources, with a possible increase in compliance costs"*

Physical risks

- *"Extreme weather events due to climate change can create discontinuity in business activities, damage infrastructure and consequently affect the company's economic and financial flows".*

[E1 SBM-3, 19 a]: The TIM Group assesses the resilience of its strategies regarding climate change through the analysis of physical and transition risks, involving Fibercop and all suppliers undergoing ESG assessments.

The Enterprise Risk Management process identifies and assesses risks related to rising temperatures and extreme weather events in the short, medium and long term, as further detailed in the IRO-1 disclosure requirement "Description of the process to identify and assess material impacts, risks and opportunities," to which reference is made for detail.

In addition, the Enterprise Risk Management function, in collaboration with the Sustainability function, has developed a methodology for the assessment and monitoring of ESG risks with an approach based on Key Risks. For risks that are judged as strategic, the assessment uses a probabilistic framework supplemented by statistical-mathematical models to measure risks at both the individual factor and portfolio levels, considering correlations among them. The results provide probability distributions over multiple scenarios and a view of the economic impact in the worst (5th percentile) and best (95th percentile) scenarios.

Climate risks, both transitional and physical, are assessed against climate trends to identify potential business risks and opportunities that may have a financial or strategic impact for the organization in the short, medium, and long term.

The climate changes recorded in recent years have generated extreme weather situations, including intense rain phenomena (flash floods) and storms with strong winds. The nationwide distribution of assets thus exposes the company to possible direct and indirect damage. In order to assess the potential damage to assets and manage their risks, TIM uses specific tools (for example CLIMADA) to assess the risk profile of the plants and to monitor their evolution over time. On plants considered strategic or critical, in addition to desk evaluations, on-site analyses are also carried out.

The company also conducts periodic probabilistic analyses to estimate the potential direct loss (damage to assets) deriving from the occurrence of adverse weather phenomena such as storms/floods/rivers bursting their banks, also in order to assess the transfer of this risk to the insurance market.

The Company has conducted specific risk analyses taking into consideration two scenarios aligned with keeping global temperature below 1.5°C, from among those proposed by the "Network for Greening the Financial System, (NGFS) (see disclosure requirement E1 IRO-1 "Description of processes to identify and assess material climate-related impacts, risks, and opportunities" where the narratives, time horizons, parameters used, key forces and drivers of each scenario, and key inputs and constraints of the scenarios are provided).

In order to ensure the continuity of the services provided and limit damage, the Company implements specific risk prevention actions such as flood protection systems, the geographical location of the plants and their redundancy.

Scenario-based risk analyses assess both the direct impact on assets (buildings and their technological content) and the potential damage deriving from the interruption of the service, with effects on the reduction of revenues and indirect damages related to the repercussions on end customers (claims).

Analyses on the estimation of climate change impacts (acute and chronic risks) do not currently take into account lightning and coastal flooding risks.

[E1 SBM-3, 19 b]: In conjunction with the establishment of the Strategic Plan, the TIM Group also cyclically initiates climate risk scenario analysis to support resilience strategies.

The latest available update is the one relating to the 2024-26 Plan carried out through the use of the simulation tool CLIMADA, which makes it possible to evaluate the economic risk associated with the risks of natural disasters such as earthquakes, floods, landslides, fires and extra-tropical storms, using numerous input data.

In a context of strong climate change, the use of risk assessment tools becomes crucial to allow companies to identify, quantify, and manage the risks associated with natural catastrophic events. That is why TIM decided to use one of the most advanced and widely used tools for this purpose. CLIMADA is an open-source model developed by the Swiss Center of Expertise for Climate Change Research and Disaster Prevention (C2SM) and the Center for Climate Risk and Resilience (OCCR) that enables the calculation of the probability and potential impact of natural catastrophic events, providing a scientific basis for climate-related risk assessment and management. With CLIMADA, TIM aims to improve its ability to calculate the probability of natural disasters, to assess their potential impact, to improve adaptation and mitigation strategies and to guide decisions regarding insurance coverage. The process of customizing this tool involves several phases including: data collection/ analysis and adaptation to the TIM context; the simulation of the different scenarios; strategic planning and optimization of risk transfer plans to the insurance market.

In reference to mitigation actions and related resources put in place, see Environmental Information - disclosure requirement E1-3 "Actions and resources related to climate change policies".

[E1 SBM-3, 19 c]: The resilience analyses carried out in the field of climate change help define the Group's action plans and, if necessary, cover residual risks through specific insurance coverage.

Below are the four main areas of action of the TIM Group identified by the ERM model to support risk mitigation and to seize opportunities related to climate change.

Products and services

The TIM Group:

- makes investments in ultra-broadband connectivity, to reduce the digital divide;
- develops and markets digital solutions that enable the ecological transition, such as cloud computing, smart working, telemedicine and smart agriculture.

The adoption of the cloud, in particular, makes it possible to optimize resources and reduce energy consumption, becoming one of the strategic levers for digitalization and economic development, as highlighted in the DESI Report on the digital transformation of Italy. For this reason, TIM has reinforced its commitment to the growth of the cloud business, focusing on scalable, secure and sustainable solutions.

Supply chain

TIM collaborates with suppliers to develop products with a low energy impact that allow customers to reduce their carbon footprint. This commitment is reflected in the following initiatives:

- insertion of ESG parameters and certifications related to the carbon footprint in the context of tenders for new products and services;
- integration and verification of environmental aspects in supplier audits, conducted as part of the Joint Alliance for CSR;
- escalation and follow-up procedures for non-compliant suppliers on aspects such as waste management, use of hazardous substances, energy consumption and regulatory compliance.

Investments in research and development

TIM invests in the search for innovative solutions that can improve energy efficiency, reduce emissions, promote the circular economy and environmental sustainability to consolidate the role of digitalization in the ecological transition, improving the quality of life through innovative resource management models.

Operations

TIM plans actions aimed at reducing the emission impact of its network infrastructure elements and data centers through the use of innovative technologies that allow improved performance with the same energy resources.

Without prejudice to the long-term direction of the Group's environmental strategy, the Company annually reviews the consistency of the adopted business model and evaluates any changes, with respect to the evolution of the climate scenario, through a review of the decarbonization levers.

Impact, risk, and opportunity management

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

[24], [MDR-P, 65 a]: The aspects of the IROs that emerged as significant from the dual relevance analysis for the topic "Climate Change" are covered in the policy "**Commitment to environmental sustainability in the TIM Group**", in the "**Product and Service Procurement Policy**" and in the "**Code of Ethics and Conduct of the TIM Group**".

All policies are linked to the following material impacts, risks and opportunities that emerged from the double materiality analysis:

Positive impact

- *"Artificial intelligence and digital technologies allow better management of projects with a significant impact on the environment, such as the monitoring of environmental parameters (e.g. smart cities, smart agriculture) and the management of early warning systems".*

Negative impacts

- *"The construction and use of infrastructures (e.g. data centers) requires a high consumption of energy that can increase emissions with consequences on climate change";*
- *"The use of fossil energy sources helps to increase emissions with consequences on climate change".*
- *"The greater computing and data processing power required by the use of AI and digital technologies in business processes can increase energy consumption and the carbon footprint of the company or supply chain, affecting climate change";*
- *"The investments in infrastructures and the purchase of energy necessary for 5G, fiber optics and the cloud can affect climate change".*

Risks

- *“The inability to effectively involve “suppliers in the reduction of emissions can cause the failure to achieve the climate objectives, with an impact on economic and financial results as well as reputational damage”;*
- *“Extreme weather events due to climate change can create discontinuity in business activities, damage infrastructure and consequently affect the company's economic and financial flows”;*
- *“Regulatory changes to energy and environmental policies may affect the profitability of energy efficiency actions and the use of renewable sources, with a possible increase in compliance costs”.*

The “**Commitment to environmental sustainability in the TIM Group**” Policy has the following main objectives:

- Ensure full compliance with current environmental laws and regulations;
- Adopt management systems and procedures that promote greater energy and resource efficiency and a lower emissive impact in infrastructure management, also thanks to advanced technologies that consider environmental sustainability aspects;
- Reduce greenhouse gas emissions through the adoption of environmentally sustainable technologies and the use of renewable energy; this includes both direct emissions (coming from its operations) and indirect emissions (related to energy purchased and used);
- Progressively reduce the consumption of energy deriving from fossil fuels, promoting the increasing use of energy from renewable sources;
- Invest in the development of low-carbon solutions, products and services, contributing to the energy transition towards a low-carbon economy;
- Choose suppliers and partners based on environmental sustainability criteria;
- Identify and evaluate the environmental risks of its supply chain, in collaboration with its suppliers and also through partnerships at national and international levels, taking appropriate corrective actions and implementing improvement plans to reduce the environmental impact of the products and services purchased.

The TIM Group also recognizes its role and responsibilities with regard to the UN Sustainable Development Goals, committing itself to applying policies, initiatives and behaviors consistent with the provisions, among others, of the objectives:

- **SDG 7**: ensure access to clean, cheap and sustainable energy for all;
- **SDG 9**: promote sustainable investments in the infrastructures necessary for the dissemination of communication technologies;
- **SDG 11**: disseminate the smart city model to make cities inclusive, safe, resilient and sustainable;
- **SDG 12**: promote efficiency in the use of resources and energy;
- **SDG 13**: act quickly to combat climate change and its impacts.

The "**Product and Service Procurement Policy**" defines the objectives and general principles of the TIM Group's purchasing process, including regulatory, contractual and control guidelines, and procurement commitments to environmental and social responsibility. Regarding IROs relevant to "Climate Change", the policy promotes environmental protection by valuing technical operational solutions in the procurement process that minimize impacts on the ecosystem. During the contracting phase, it is necessary to ensure that the parties' environmental obligations and responsibilities are clearly defined, with the goal of continuous improvement and alignment with industry best practices.

The “**Code of Ethics and Conduct”** guides TIM's actions in carrying out its business, in the belief that a common vision of ethics in the daily conduct of business is the essential prerequisite for responsible and sustainable growth. Specifically, the document includes:

- the distinguishing values of the Group's culture;
- the rules of ethical behavior for people in the Group and the guidelines for the conduct to be pursued in dealings with third parties;
- the objectives and good practices relating to sustainability and social responsibility, in order to conduct business activities in a way that safeguards the various aspects of the environmental, social and governance-related affairs of the Group;
- the methods of complying with the Code through the description of the commitment of corporate boards and management teams, as well as the approach to managing violations, whistleblowing, and the methods of disseminating and adopting of the document.

In relation to the IROs material to the subject of “Climate Change”, the document highlights TIM’s commitment to:

- Promote the energy transition, developing the business with the utmost respect for the environment, the rights of future generations and the applicable reference regulations;
- Reduce the negative impacts on the ecosystem that may be generated by activities, through the offering of services and solutions that promote new sustainable lifestyles.

To contextualize the Group's policies in the Brazilian business context, TIM S.A. has also defined the "**Climate Change Management" policy that addresses the aspects of climate change** adaptation and mitigation, energy efficiency and renewable energy. The policy aims to establish the principles to be applied in business activities to ensure the correct and efficient management of greenhouse gas emissions in accordance with current legislation, regulatory agencies and Group guidelines.

All indicated policies are subject to a constant monitoring process in order to ensure the constant pursuit of the principles and contents mentioned therein.

[24], [MDR-P, 65 b]: The "Commitment to Environmental Sustainability" Policy is valid at the Group level. In particular, the recipients of the document are all the Italian and foreign TIM Group companies, the TIM Foundation, Instituto TIM, the operating structures and corporate departments whose business may also have potentially significant impacts on the environment.

The Product and Service Procurement Policy is valid for all Group Companies and is directly applicable to purchases made by the Procurement Department, the purchasing functions, the function.

The Code of Ethics and Conduct applies to all people in the Group, with particular reference to the members of the Corporate Boards, management, employees of all Group Companies, external collaborators, and, where required by the company's procedural system, to third parties in business relationships with the Group.

[24], [MDR-P, 65 c]: The implementation of the "Commitment to Environmental Sustainability" Policy is entrusted to the head of the Corporate Communication and Sustainability Department who reports directly to the Chief Executive Officer.

The implementation of the 'Product and Service Procurement Policy' is guaranteed: by the Procurement Department in all its branches and responsibilities; by the Chief Financial Office Department that ensures, at the Group level, the oversight of financial, administrative and economic-management processes; by the Legal and Tax Department that ensures, at the Group level, legal protection, corporate compliance and the application of the governance model, as well as, the definition of tax policies.

The adoption of the Code of Ethics and Conduct was decided by a resolution of the TIM Board of Directors on March 15, 2023. A periodic review of the Code is also carried out to implement any necessary updates.

[24], [MDR-P, 65 d]: The "Commitment to Environmental Sustainability" Policy is in line with the main international reference standards such as ISO 14001, ISO 14064, ISO 50001 and the GHG Protocol.

For the "Product and Service Procurement" Policy, the external references are:

- Italian Legislative Decree 231/01 of 8/06/2001 - Regulations governing the administrative responsibility of legal persons, companies and associations with no legal status. (DC-2018-00498);
- Italian Legislative Decree 196/2003 - Data Protection Law. Data Protection Law (DC-2018-00069) and the Regulation (EU) 2016/679 General Data Protection Regulation (so-called. 'GDPR'), (DC-2018-00235);
- Presidential Decree 313/2002 Consolidated text of the legislative and regulatory provisions on criminal records, the register of administrative sanctions imposed due to a crime and related pending charges. (DC-2018-00559);
- Italian Legislative Decree 81/2008 - Consolidated Law on the protection of health and safety in the workplace and subsequent amendments. (DC-2018- 00556);
- Italian Legislative Decree 152/2006 'Consolidated Law on the Environment', as amended (DC-2018-00377);
- Consob Resolution no. 17221 of 12.3.2010-Regulation containing provisions on related-party transactions (DC-2018-00468);
- Italian Law no. 262 of December 28, 2005 - 'Provisions for the protection of savings and the regulation of financial markets' (DC-2018-00585). With regard to the Product and Service Procurement Policy, TIM operates within the framework of the Joint Alliance for Corporate Social Responsibility — JAC initiative (http://jac-initiative.com) of which the Group is a founding member. (1) JAC is a collective of telecommunications companies that aim to promote safe and fair working conditions, as well as responsible business, social and environmental management.

The Code of Ethics and Conduct is in line with the principles of the United Nations Global Compact with which TIM complies.

[24], [MDR-P, 65 e]: The Group policies specifically take into account aspects identified as being fundamental and high priority by analyses conducted internally and with external stakeholders. These aspects are strongly linked to the operations of the TIM Group Companies.

[24], [MDR-P, 65 f]: To ensure the contents of the Policies are shared, the TIM Group makes documents available to its stakeholders on its corporate intranet and on the Group's company website **www.gruppotim.it**, in compliance with "least privilege" and "need to know" principles. Where appropriate, for relations with third parties, specific contractual clauses will be added relating to the acceptance and/or compliance with some of the documents, such as the Code of Ethics.

Information on TIM S.A.'s Policies, on the other hand, can be found on its institutional website **https://ri.tim.com.br** in the dedicated "Regulations and Policies" section.

[25]: In TIM's "Commitment to Environmental Sustainability" policy, TIM reaffirms its commitment to:

- Mitigation of climate change, with the objective of reducing or preventing greenhouse gas emissions to limit the magnitude of global warming. In line with the Policy, TIM defines long-term emission reduction targets in the business plan, promotes actions that reduce the amount of greenhouse gases and selects its suppliers and partners also based on environmental sustainability criteria;

- Adaptation to climate change, with the aim of reducing the vulnerability of the ecosystem to extreme weather events. With this in mind, TIM envisages measures to ensure the operational continuity of its infrastructures in the face of risks deriving from extreme weather events;
- Energy efficiency, implementing measures to improve the energy efficiency of its infrastructures and operations, thanks to the adoption of advanced technologies and sustainable management practices;
- The spread of renewable energy, promoting the use of sustainable energy sources in its operations and supply chain.

In the "Product and Service Purchasing" policy, TIM emphasizes, among the different phases of the purchasing process, the supplier qualification phase that also focuses on ESG aspects and the verification phase on contract execution where checks are made on the compliance of the specifications included in them with effects on the Vendor Rating index. Both phases are aimed at acquiring and retaining suppliers that contribute to climate change mitigation through the application of sustainable practices

Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies

[28], [MDR-A, 68 a,b,c,d,e], [29 a] [MDR-A, 69 b, c], [29 c i,ii,iii], [16 c]: In addition to the climate change policies that provide the framework for the coherent and informed management of business activities, the Group implements actions and resources related to the mitigation of and adaptation to climate change and energy focused on:

1. **use of energy from renewable sources;**
2. **reduction of energy and fuel consumption;**
3. **low-emission transport;**
4. **decarbonization of the supply chain;**
5. **additional emission mitigation initiatives.**

The actions are aimed at various civil (such as offices) and industrial (such as Data Centers) business assets both in Italy and in Brazil, and involve internal operations and the value chain, especially in terms of the supply of electricity and the development of technological solutions for customers that make it possible to reduce emissions.

Although the TIM Group does not have a formal climate transition plan, the actions taken are consistent with strategies to reduce energy consumption and CO_2 emissions.

1. Use of energy from renewable sources

The actions described below in relation to 2024 aim to increase the use of renewable energy sources in order to reduce and mitigate the following impact of the company identified by the double materiality analysis: *"The use of fossil energy sources helps to increase emissions with consequences on climate change"*.

Domestic BU

- **Acquisition of guarantees of origin (GO)** with attention paid to the use of Power Purchase Agreements (PPA). At the end of 2024, 84% of the total energy supply comes from renewable sources. The goal is to reach 100% by 2025. The financial resources committed to the budget in 2024 for the purchase of GO amounted to: OpEx approx. €911.00k;
- **Self-generation of electricity from photovoltaic systems**
  - the plant at the West Milan data center produced more than 520 MWh;
  - the photovoltaic system at the West Turin data center has been completed and will begin producing renewable energy as from 2025.

TIM S.A.

- **Use of totally renewable energy** since 2021;
- **Supply of the TIM grid with electricity generated from renewable sources**. By the end of 2024, more than 60% of the energy used by the Company will come from the Company's own renewable power generation projects. The energy is produced by small power plants in order to optimize operational management and reduce greenhouse gas emissions. TIM S.A. has 129 active plants producing renewable energy, of which 113 are solar photovoltaic, followed by 14 hydroelectric and 2 with bioenergy;
- **Installation of 134 solar-powered antennas** in remote and hard-to-reach areas, ensuring connectivity in vulnerable regions and strengthening adaptation to the climate scenario.

Carrying out this activity involved the use of the following financial resources: OpEx €18,663.65k referred to taxonomic activity 4.1 "Power generation by solar and photovoltaic technology"; OpEx €5,415.20k referred to taxonomic activity 4.5 "Power generation from hydropower"; OpEx €4,027.78k referred to taxonomic activity 4.8 "Power generation from bioenergy".

These actions reflect the company's strategy to diversify its energy sources and reduce dependence on the conventional grid, promoting greater energy resilience and mitigating risks associated with climate change.

2. Reduction of energy and fuel consumption

The actions described below aim to improve energy efficiency thanks to the use of technologies that allow better performance in order to reduce and mitigate the significant negative impacts identified by the double materiality analysis:

- *"The construction and use of infrastructures (e.g. data centers) requires a high consumption of energy that can increase emissions with consequences on climate change";*
- *"The investments in infrastructures and the purchase of energy necessary for 5G, fiber optics and the cloud can affect climate change"*;
- *"The greater computing and data processing power required by the use of AI and digital technologies in business processes can increase energy consumption and the carbon footprint of the company or supply chain, affecting climate change.*

Domestic BU

Data Center

In Italy, the TIM Group has **16 data centers in 8 cities** that guarantee the highest levels of operation, security and energy efficiency, divided as follows:

- **7 x Core data centers** offering maximum-performance cloud and co-location services;
- **6 x public cloud data centers** where the platforms of the most important public cloud providers operate;
- **3 Service Centers** i.e., secure and reliable micro-data centers near customer locations.

Below are the efficiency actions carried out in 2024.

- **Extraordinary or evolutionary maintenance** consisting of:
  - repair of industrial components and auxiliary services such as:
    - relamping, free cooling in the North Rome and South Rome DCs;
    - Replacement of sensors, replacement of air conditioners in the South Rome DC.
  - Technological refresh due to obsolescence with the installation of:
    - 4 refrigerator units distributed in the West Rome, South Milan and South Rome data centers;
    - air conditioners in the Padua data center;
    - Uninterruptible power supplies (UPS) in the Bologna and South Milan data centers and batteries in the South Milan data center.

The above maintenance work involved the use of: CapEx €176.43k, referring to the taxonomic activity 7.3 "Installation, maintenance and repair of energy efficiency devices."

- **Installation, maintenance and repair of tools and devices for measuring**, regulating and controlling the energy performance of buildings. Specifically, the installation involved:
  - sensors monitoring the remaining autonomy of uninterruptible power supplies (UPS) at the East Milan site;
  - temperature and humidity detection probes at the South Rome site;
  - sensors for monitoring temperature in building management systems (BMS) and cooling units (CU) at the West Milan site;
  - energy meters at the West Rome site for activities related to the National Strategic Hub.

These actions involved the use of: CapEx €360.66k, attributable to taxonomic Activity 7.5 "Installation, maintenance and repair of tools and devices for measuring, regulating and controlling the energy performance of buildings".

There are also **7 high-efficiency cogeneration (CAR) plants** for heat/cooling and power generation at five locations in 2024: West Rome, South Rome, Bologna, Padua, South Milan.

Carrying out this activity involved the use of the following financial resources: OpEx €705.60k, attributable to taxonomic activity 4.30 "High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels".

In 2024, all efficiency actions led to an energy saving of 0.59 GWh/year, an average **PUE**[9] (Power Usage Efficiency) **of 1.52** out of the total number of Core data centers (an improvement compared to 2023 equal to 1.56) and an average 1% deviation from the project PUE of Public Cloud data centers[10].

[9] It is the ratio of the total energy consumed by the data center to the energy used specifically by IT equipment. The closer the value of PUE is to 1, the more energy efficient the data center is

[10] The PUE varies depending on the power engaged by the equipment and the external climatic conditions. Public Cloud data centers are designed with a project PUE of <1.3 at full load. Therefore, with a minimum threshold of 1, the more the data center is filled with IT equipment, the closer it will approach a value near 1.3. In this case, with a Public Cloud data center fill rate between 20% and 30%, the deviation from the project PUE is 1%.

TIM Stores

The TIM network has 653 stores dedicated exclusively to the marketing of TIM fixed-line and mobile offers, including 206 directly owned TIM Retail, 300 franchised and 147 single brand. Below are the actions carried out at the stores in 2024.

- **Energy efficiency of TIM Retail stores**:
  - relamping: replacement of halide light fixtures with LED panels with an estimated energy saving of about 3,010 kWh/year per store. The actions affected 10 stores, adding to the previous 29 in 2023;
  - building automation: installation of devices for remote monitoring and control of lights, air conditioning, storefronts, signs, and monitors, with alarms for out-of-threshold parameters and remote controls (work done on 5 stores);
  - energy monitoring: sample monitoring of energy consumption to identify improvement actions (interventions carried out on 6 stores).

The actions are part of an energy efficiency project that involved a total of 50 stores (39 for the relamping project, 5 for automation building project, 6 for consumption monitoring project) and that in 2024, generated a 15% energy saving compared to 2023, or 152,330 kWh/year.

- **New TIM store layout (Blue Vision Project)**.

The project involves the entire sales network and aims to reconcile the brand positioning with environmental sustainability, acting on various aspects:

  - lighting with energy savings of up to 15%, additional at night;
  - replacement of air conditioning systems using environmentally-friendly refrigerant gases, improving efficiency by up to 15%;
  - installation of LED monitors with up to 20% reduction in power consumption;
  - furniture designed with FSC- and EPD-certified materials;
  - digital product labels through E-ink screens updated in real time to reduce paper use.

In 2024, the action was carried out on 8 stores. The goal is to reach 200 stores by 2026.

The financial resources used in 2024 for the new layout of TIM Stores (Blue Vision) amounted to: CapEx €3,827k (for the construction and opening of 8 stores in 2024 and for the design of 35 stores scheduled for 2025); OpEx €9k (a fee that TIM pays to business owners for the lease of the premises. The Partner will finance the expenses for the new layout).

TIM S.A.

TIM S.A. reinforces its commitment to contain energy consumption thanks to the use of technologies that allow better performance with the same energy resources, with the aim of improving eco-efficiency in data traffic, or the relationship between the data service offered to the customer (bit) and energy consumption (Joules of energy consumed).

In 2024, eco-efficiency was 24,325 bits/joules (-5% from the 2023 figure of 32,883 bits/joules), notwithstanding the result already achieved compared to the 2019 baseline (+148%).

The following are the main efficiency measures:

Network infrastructures

- Optimization of operational processes (RAN Sharing Project): The project involves a partnership between TIM and Vivo for the sharing of infrastructures, allowing the closure of redundant sites, with a significant reduction in operating costs and emission impact.

Data Centers

- The buildings in which the data centers are located are equipped with an Atmospheric Discharge Protection System (SPDA). The rooms are equipped with fire and alarm systems (SDAEI) and certified according to ABNT NBR 15247, which ensures the highest level of physical security for the rooms, considering fire resistance, protection from heat, humidity, water, improper access and break-ins, and also redundant electrical and air conditioning facilities.
- The energy efficiency expressed by the average PUE (Power Usage Effectiveness) in 2024 is 1.64, below the set target value of 1.66. In 2023, the PUE was 1.46 (the increase from the previous year is mainly due to ongoing migration projects and the need to adjust room air conditioning)

3. Low-emission transport

The following interventions are aimed at reducing operating costs, optimizing fuel consumption, and introducing environmentally friendly ways of commuting.

Domestic BU

The company fleet in Italy has a total of 2,357 vehicles, including 224 operational cars, 2,039 mixed-use cars and 94 car-sharing cars, while there are 12 electric columns located in 4 company sites.

Within TIM S.p.A. in 2024, the following actions were carried out:

- **electrification of the car sharing fleet:** out of a total of 94 vehicles, 17% are hybrid and full electric models. The financial resources used in 2024 for electric cars amounted to: OpEx €56.849k;
- **electrification of the mixed-use car fleet:** out of a total of 1791 vehicles, 44% are hybrid and full electric models. The financial resources used in 2024 amounted to: OpEx €4,789.96k;
- **carpooling service** via dedicated app (JO-JOB). In 2024, the service was used by 5% of the employees of the 6 sites involved, populated by a total of 5,900 people. The financial resources used in 2024 amounted to: OpEx €20.5k;
- **shuttle service.** In 2024, the service was used by 25% of the employees of the 12 sites involved, populated by a total of 7,600 people. The financial resources used in 2024 amounted to: OpEx €1,465.29k.

4. Decarbonization of the supply chain

Supply chain management is essential to reduce greenhouse gas emissions associated with the purchase of goods and services. With this in mind, TIM in **Domestic**, has identified a number of activities on an ongoing basis.

- **ESG assessment during enrolment in the Register** for suppliers at risk in terms of geographical origin (Asia, Central and South America, North Africa, Eastern Europe) and potential violations on the environment, human rights and labor. The assessment is carried out based on the drafting of an ESG questionnaire that requires the achievement of a minimum compliance threshold of 40% for access to the register. All qualified suppliers are also required to sign TIM's Code of Ethics and Conduct. In 2024, 217 suppliers were qualified, of which 18% were subject to ESG assessment.
- **Sustainable procurement**: The sustainability envelope with up to 10% weight is used in tenders, which involves applying a check list of 30 parameters (eco standard guideline) to the purchase of products and services. In 2024, more than 12,200 purchases were made for a value exceeding €4 billion. The sustainability envelopes applied came to about 80;
- **Checks on execution of ESG contracts**: checks are made on the compliance of the specifications included in the contracts with effects on the Vendor Rating index. If negative, orders are rescheduled, or suppliers cannot take part in tender processes.
- **ESG performance assessment** of suppliers on Open-es platform. TIM accompanies suppliers toward continuous improvement on ESG issues through screening and assessment activities. Since 2022, TIM has been a value-chain partner of the Open-ES alliance, which provides ESG performance analysis tools based on international standards. At the end of 2024, there were 1,282 TIM suppliers profiled on the platform, with support through workshops, seminars and a community for sharing best practices. The financial resources used in 2024 amounted to: OpEx €147k.
- **ESG auditing through the JAC alliance**: TIM verifies, evaluates and promotes Corporate Social Responsibility (CSR) principles and best practices through membership in the JAC, a joint initiative among telecom operators for a sustainable supply chain, which includes audits to shared suppliers, among other initiatives. Through such audits, certifying bodies ensure the application of CSR principles in the supply chain, including principles aimed at climate change protection. In 2024, TIM conducted 11 onsite audits, with an investment of €52k. Future OpEx are estimated at €60k for 5 audits in 2025 and 3 remaining audits in 2024.

5. Additional climate change mitigation initiatives

Domestic BU

- **Nature-based solutions**
  - **Tree planting**:in 2024, an urban greening project was carried out at the Stura Sud Park in Turin where 400 new trees and shrubs were planted with the innovative Tiny Forest or Miyawaki Forest technique[11]. This approach involves planting native trees and shrubs, arranged with high density to promote rapid growth and contribute to the regeneration of the local ecosystem. The new plants planted will be able to absorb, over their entire life cycle (30 years), about 160 tCO_2, or the equivalent of the emissions of about 1,780,000 PET plastic bottles[12];
  - **Offsetting the emissions of websites:** in order to offset the emissions generated by consulting its websites, TIM has decided to support an environmental project geared toward carbon reduction for the third consecutive year. In 2024, visits to the Group's 21 main commercial and institutional websites in Domestic generated more than 551,700 kg of CO_2eq. To offset these emissions, TIM purchased 552 carbon credits through The Envira Amazonia Project, a forest conservation initiative in Brazil, certified by the Verra Standard (VCS), among the leading international quality standards for carbon credits. The project aims to preserve existing forests by preventing deforestation and thereby preventing the release of greenhouse gases (GHGs), particularly carbon dioxide (CO_2), resulting from logging actions. The Envira Amazonia Project is considered a "Nature-based Solution" project, as it is aimed at conserving natural ecosystems to mitigate climate change while generating environmental, social and economic benefits for local communities.

[11] The planting initiative is part of Rete Clima's "Foresta Italia" national afforestation campaign, an organization that accompanies companies on sustainability and decarbonization paths, as part of the Foresta Italia® National Campaign, in partnership with Coldiretti and PEFC Italia.
[12] The calculation was carried out thanks to the CO_2Web® methodology developed by Rete Clima, a non-profit organization specialized in promoting sustainability in organizations, and verified by the ICMQ Certification Body

[MDR-A, 69 a]: To field the plan of actions related to the mitigation of impacts and risks in environmental issues, the enterprise appropriately plans the necessary financial resources.

In addition, the Group has developed a sustainable financing plan, including through the issuance of Sustainability Bonds, which enables it to raise resources for ESG (environmental, social, and governance) initiatives, and ensures access to the capital market with favorable terms, particularly for research-intensive projects and technological innovation.

In Italy, the Group issued a Sustainability Bond in 2021 with a term of 8 years, which to date has a remaining notional amount of €499 million. The net proceeds of this bond were fully allocated after the first year, as reported in the Sustainability Bond Report 2021, to eligible categories as provided in the Sustainability Financing Framework 2020.

In Brazil, TIM S.A. made a similar commitment, issuing R$1.6 billion in Sustainability-Linked Bonds (SLBs) in 2021, bonds linked to social and sustainability goals.

In addition, TIM continues to collaborate with investors and partners to promote long-term sustainability, ensuring that ecological and digital transition objectives are supported by adequate capital flows. The Group's financial strategy also integrates the management of risks related to fluctuations in capital costs, with the aim of optimizing resources and maximizing the social and environmental impact of its actions.

[29 b]: Mitigation actions implemented by the Group contribute to the reduction of Scope 1 and Scope 2 emissions as defined in the Business Plan targets.

TIM's ability to implement strategic actions depends significantly on the availability and allocation of resources, including financial resources. Continuous access to affordable finance is crucial to support initiatives to adapt to market developments, such as managing changes in demand and supply, and to support strategic investments, such as acquisitions and research and development (R&D) activities.

To this end, TIM has a strong financial structure that enables it to access diversified sources of capital on competitive terms and using ESG criteria, facilitating the implementation of long-term projects.

Indeed, in the Company's current €4 billion revolving syndicated credit facility (RCF), there is a margin adjustment mechanism based on TIM's achievement of certain previously identified ESG KPIs.

Metrics and targets

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

[32], [MDR-T, 80 a, b, c, d, e]: The TIM Group, in its new 2025-27 Plan, has identified the following targets aligned with the content and principles expressed within its policies:

1. **100% Renewable Energy by 2025;**
2. **Carbon Neutrality (Scopes 1+2) by 2030;**
3. **New Transition Plan (Scope 3) by 2030;**
4. **Net Zero (Scopes 1+2+3) by 2040.**

Through these long-term targets, the progress of which is monitored periodically, the Group aims to significantly reduce the environmental impact of its own operations and those of the value chain.

Targets 1), 2), and 4) are expressed as absolute reduction targets, as the goal is to achieve zero emissions, regardless of initial levels, although forms of offsets are included to achieve neutrality. Target 3), on the other hand, is expressed in relative values, as the transition plan will be defined from 2024, the base year following the new organizational structure. In all cases, progress in emission performance against targets will be represented in relative terms as YoY progress relative to the base year. The introduction of intermediate targets appropriate to the new arrangement will be evaluated after the new transition plan is redefined.

The targets cover the entire TIM Group (see disclosure requirement BP-1 "General Criteria for Drafting Sustainability Statements" for details on the reporting perimeter) and include its own and value chain activities, upstream and downstream.

[32], [MDR-T, 80 f]: The objectives set by the TIM Group are aligned with national, EU and international political scenarios, and generally take into account the impacts and analyses carried out on the company's environmental data. In addition, the targets set are aligned with the following Sustainable Development Goals (SDGs):

- **SDG 7**: ensure access to clean, cheap, and sustainable energy for all;
- **SDG 9**: promote sustainable investments in the infrastructures necessary for the dissemination of communication technologies;
- **SDG 11**: disseminate the smart city model to make cities inclusive, safe, resilient, and sustainable;
- **SDG 12**: promote efficiency in the use of resources and energy;
- **SDG 13**: act quickly to combat climate change and its impacts.

[32], [MDR-T, 80 g]: The Group attaches considerable importance to the validation of its emission reduction commitments by the Science Based Targets initiative (SBTi). Therefore, starting in 2022, the climate strategy was validated by the Science Based Targets initiative (SBTi), which confirmed its consistency with the objective of keeping global warming under 1.5°C, as established by the Paris Agreement on climate change.

However, as a result of the major change in the scope of the company occurred from July 1, 2024 as provided by SBTi itself, it will be necessary to resubmit these objectives.

[32], [MDR-T, 80 h]: Stakeholder engagement is crucial in defining sustainability goals, as demonstrated by the double materiality analysis, which, starting with the identification of impacts, risks and opportunities for the Company, contributes to the definition of the Group's priorities (for more details, see Disclosure Requirement SBM-2 "Stakeholder Interests and Views").

[32], [MDR-T, 80 i], [MDR-T, 80 j]: To monitor the effectiveness of the Group's actions put in place and to track progress against CO_2 emission reduction targets, TIM has activated monitoring processes and KPIs and since 2023 and has implemented an ESG platform that enables monitoring of performance against target goals. The redefinition of the organizational perimeter and a new base year to evaluate business performance following the spin-off operation does not make it possible to compare the data set out in the sustainability statements prior to 2024. As a result, progress on targets will be displayed from the next reporting year.

[33]: All environmental targets defined in the Plan cover the relevant climate-related impacts, risks, and opportunities revealed in the dual significance analysis (see ESRS 2 SBM-2 disclosure requirement "Stakeholder Interests and Views").

[34 a, b]: The significant change in the company's structure and activities requires a redefinition of the base year against which the TIM Group will measure its improved emissions performance. Reduction targets are expressed either in a combined way, such as in the case of Carbon Neutrality, or separately in the case of 100% renewable energy, which focuses on Scope 2 (for details see the data point [49 a, b]).

For Scope 2, the TIM Group uses the Market Based method. The scope of the GHG emission reduction target does not differ from the scope of GHG emissions reported under the E1-6 reporting requirement "Gross scope 1, 2, 3 GHG emissions and total GHG emissions." For Scope 3, the total GHG emissions covered by the target are related to categories 3.1 (purchased good and services), 3.2 (capital goods) and 3.11 (use of sold products), as defined within the GHG Protocol.

[34 e], [16 a]: The primary environmental targets for the TIM Group, i.e., Carbon Neutrality by 2030 and Net zero by 2040, follow a sectoral decarbonization approach and refer to climate scenarios provided by institutions such as the IPCC (Intergovernmental Panel on Climate Change) of the IEA (International Energy Agency).

The climate strategy was validated by the Science Based Targets initiative (SBTi) in 2022 consistent with the goal of keeping global warming within 1.5°C, but the significant change in the Group's organizational scope will require a new submission of targets. In defining the objectives, future developments were also considered, including the evolution of European climate regulations, the growth in demand for low-emission digital solutions and the adoption of emerging technologies for energy efficiency, but following the spin-off of the fixed network, the TIM Group will have to adjust the intermediate objectives and set a new base year.

[34 f], [16 b]: To identify developments or make assessments of environmental strategy and its own decarbonization levers, TIM adopts, qualitative and quantitative scenario analyses with Group-wide coverage. In particular, the analyses considered two scenarios aligned with maintaining the global temperature below 1.5° C, among those proposed by NGFS (Network for Greening the Financial System):

- NGFS Transition Scenario - 1.5°C: quantitative analysis with respect to the Net Zero target by 2040 focused on:
  - potential regulatory obligations aimed at offsetting non-reducible CO_2 emissions, such as, for example, the introduction of the carbon tax;
  - increased costs associated with the introduction of the carbon tax. In a time frame up to 2040, a linear estimate of the gradual reduction ofCO_2 emissions was made with time intervals of ten years. The possible failure to meet the target with hypothetical deviations of 10%, 20%, 30% and the related potential economic impact was also estimated.
- Physical climate scenario based on the RCP 1.9 (1.5°C) and RCP 4.5 (2.1°C – 3°C) scenarios, the Group has chosen a scenario analysis that can be effectively applied to the company's climate strategy in the coming years. Analysis of climate change risks is included in the Group's Risk Management (ERM) framework. In particular, climate-related risks that may affect the Company's assets (such as river flooding and flooding) and, more generally, the Group's business continuity were assessed. The analysis focused on hydrogeological risk and risk on work performance. With respect to the hydrogeological risk (Net Zero scenario by 2050), with the help of the TIMgis system, the hydrogeological risk maps created by ISPRA (the public body subject to the supervision of the Ministry of Ecological Transition) have been linked to the TIM georeferenced databases of buildings and the network valued at the cost of reconstruction/replacement.

For more details with respect to climate change mitigation actions and decarbonization levers adopted by the Group in this area, please refer to disclosure requirement E1-3 "Actions and resources related to climate change policies". It is also specified that the emission quantifications of the levers will be outlined when the Group transition plan is formalized.

Disclosure requirement E1-5 - Energy consumption and energy mix

[MDR-M, 77 a], [37 a, b]: All metrics related to the Group's energy consumption refer to the companies in the environmental perimeter (for details see Disclosure Requirement BP-1 "General Criteria for Preparing the Sustainability Statement"). Due to the organizational discontinuity that occurred on July 1, 2024, no comparative information from previous years is reported.

TIM subjects its energy management processes to internationally recognized certifications, such as ISO 50001, which specifies requirements for an effective energy management system.

TIM uses standard methodologies to measure energy consumption and its mix. The total consumption, expressed in megawatt hours (MWh), is divided into energy from fossil, renewable and nuclear sources.

Energy from fossil sources includes fuels such as coal, oil and natural gas, as well as purchased energy from fossil sources.

Renewable energy includes renewable fuels (biomass, biogas, renewable hydrogen), purchased renewable energy (electricity, heat, steam) and self-generated renewable energy.

Nuclear power, i.e., the share of electricity generated by nuclear power plants, was calculated based on the Residual Mix, using the figure published by AIB 2023 (Association of Issuing Bodies) to ensure consistency with the emission factors adopted in the emission calculations. For the reporting year, the share of nuclear power in the Italian Residual Mix of 4.40% was applied to total electricity consumption from mixed sources.

Self-produced and internally consumed energy is counted only once in the relevant category.

As a Telecommunications company, TIM is not among the companies subject to the disclosure requirements for high climate impact industries. However, considering the Group companies individually, TIM Retail S.r.l. and Olivetti S.p.A. fall within sectors considered to have a high climate impact. For these companies, energy consumption is disaggregated by fossil source categories. In addition, energy intensity is calculated for these companies as the ratio of total energy consumption to net revenues to assess energy efficiency in relation to financial performance, excluding materials and fuels used as raw materials not intended for energy purposes.

TIM's consumption refers to the entire Fiscal Year 2024. Consumption data for the second half of the year for the assets in use by TIM (colocation and offices) and transferred to NetCo, were estimated linearly from the first half of the year, due to unavailability of primary data.

For consumption reported for NetCo alone in the first half of the year, see the section "Information on NetCo's Performance," Disclosure Requirement E1-5 "Energy Consumption and Energy Mix."

The consumption and energy mix at the Group level are shown below.

[37]: Energy consumption and mix - TIM Group

	UOM	2024
Total energy consumption from fossil sources	**MWh**	**349,240.98**
Percentage of fossil sources in total energy consumption	%	15.77
Total energy consumption from nuclear sources	**MWh**	**8,626.89**
Percentage of energy consumption from nuclear sources in total energy consumption	%	0.39
Fuel consumption from renewable sources	**MWh**	**134,243.97**
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	1,351,332.71
Consumption of self-generated renewable energy without relying on fuels	MWh	370,561.87
Total energy consumption from renewable sources	**MWh**	**1,856,138.55**
Percentage of renewable sources of total energy consumption	%	83.84
Total energy consumption related to own operations	**MWh**	**2,214,006.42**

[38], [42]: For the companies TIM Retail S.r.l., Olivetti S.p.A. that are part of the high climate impact sectors, the representation of energy consumption and mix is provided below with details of the breakdown of energy consumption from fossil sources.

[38]: Energy consumption and mix of High Climate Impact Companies (TIM Retail S.r.l. and Olivetti S.p.A.)

	UOM	2024
Fuel consumption from coal and coal products	MWh	0.00
Fuel consumption from crude oil and petroleum products	MWh	591.63
Fuel consumption from natural gas	MWh	160.61
Fuel consumption from other fossil sources	MWh	0.00
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	0.00
Total energy consumption from fossil sources	**MWh**	**752.24**
Percentage of fossil sources in total energy consumption	%	17.58
Total energy consumption from nuclear sources	**MWh**	**0.00**
Percentage of energy consumption from nuclear sources in total energy consumption	%	0.00
Fuel consumption from renewable sources	MWh	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	3,525.69
Consumption of self-generated renewable energy without relying on fuels	MWh	0.00
Total energy consumption from renewable sources	**MWh**	**3,525.69**
Percentage of renewable sources of total energy consumption	%	82.42
Total energy consumption related to own operations	**MWh**	**4,277.93**

[39]: The following are Group data on energy production from nonrenewable sources and energy production from renewable sources.

[39]: Non-renewable and renewable energy production - TIM Group

	UOM	2024
Non-renewable energy production	MWh	100,081.42
Renewable energy production	MWh	370,561.88

[40], [41]: Below are energy intensity figures for TIM Retail S.r.l. and Olivetti S.p.A. operating in high climate-impact sectors, calculated on revenues before elisions.

[40], [41]: Energy intensity of activities in high-impact climate sectors (TIM Retail, Olivetti)

	UOM	2024
Total energy consumption from activities in sectors with a high climate impact	MWh	4,277.93
Net revenues from activities in high climate impact sectors used to calculate energy intensity	€ million	229.27
Energy intensity associated with activities in sectors with high climate impact	**MWh/€ million**	**18.66**

Below is a quantitative reconciliation of net revenues from activities in high climate impact sectors.

[43]: Net revenues from activities in high climate impact sectors used to calculate energy intensity

	€ million
Net Revenues from Activities in Sectors with High Climate Impact Used to Calculate Energy Intensity	229
Net Revenues (Other, Activities in Sectors Not with High Climate Impact)	14,213
Total Net Revenues as per Consolidated Balance	**14,442**

Disclosure requirement E1-6 - Gross Scope 1, 2, and 3 GHG emissions, as well as total GHG emissions

[MDR-M, 77 a], [44], [47]]: Gross GHG emissions refer to the Group's environmental perimeter (see Disclosure Requirement BP-1 "General Criteria for Preparing the Sustainability Statement") and are expressed in metric tons of CO_2eq.

In line with current regulations, the **methodology** adopted for carbon inventory calculation refers to the **Greenhouse Gas Protocol.** Specifically, the guidance contained in the "Corporate Accounting and Reporting Standard" for general reporting and the "Corporate Value Chain Accounting and Reporting Standard" for Scope 3 emissions are followed.

Due to the organizational discontinuity that occurred on July 1, 2024 which resulted in significant changes in the circumstances affecting GHG emissions, it is not possible to provide comparative information with respect to previous years

TIM's emissions refers to the entire Fiscal Year 2024. The emissions reported to NetCo alone in the first half of the year are in the section "Information on NetCo's Performance," disclosure requirement E1-6 "Gross Scope 1, 2, 3 GHG Emissions and Total GHG Emissions."

[44], [52 a, b]: Gross Scope 1, 2, 3 GHG Emissions - TIM Group

	UOM	2024
Gross Scope 1 GHG emissions	tCO2eq	52,402.12
Gross Scope 2 Location-Based GHG emissions	tCO2eq	350,081.45
Gross Scope 2 Market-Based GHG emissions	tCO2eq	103,374.75
Gross Scope 3 GHG emissions	tCO2eq	2,025,399.85
Total Location Based GHG emissions	**tCO2eq**	**2,427,883.42**
Total Market Based GHG emissions	**tCO2eq**	**2,181,176.72**

[MDR-M, 77 a], [44], [50 a, b]: The following are the Scope 1 and Scope 2 emissions of the TIM Group with reference to the environmental scope for activities where the Company has financial and operational control.

TIM exercises financial control over owned buildings and infrastructure. Instead, it exercises operational control over the real estate and infrastructure it uses, which it does not own, over which it has energy utilities in its name, where it has the ability to purchase energy (including renewable energy) directly or indirectly, and where it has the ability to influence investments related to the property or the definition of the activities carried out therein.

[44], [50 a, b]: Gross GHG emissions disaggregated by control type - Scope 1 and 2 - TIM Group

	UOM	2024
Gross Scope 1 GHG emissions	**tCO2eq**	**52,402.12**
From activities with financial control	tCO2eq	45,121.91
From activities with operational control	tCO2eq	7,280.21
Gross Scope 2 Location-Based GHG emissions	**tCO2eq**	**350,081.45**
From activities with financial control	tCO2eq	112,462.22
From activities with operational control	tCO2eq	237,619.23
Gross Scope 2 Market-Based GHG emissions	**tCO2eq**	**103,374.75**
From activities with financial control	tCO2eq	5,230.99
From activities with operational control	tCO2eq	98,143.76
Total GHG Scope 1 and 2 emissions based on Location-Based financial control	**tCO2eq**	**157,584.13**
Total GHG Scope 1 and 2 emissions based on Market-Based financial control	**tCO2eq**	**50,352.90**
Total Scope 1 and 2 GHG emissions based on Location-Based operational control	**tCO2eq**	**244,899.44**
Total GHG Scope 1 and 2 emissions based on Market-Based operational control	**tCO2eq**	**105,423.97**

Below are the TIM Group's gross GHG emissions disaggregated by Scope 1, 2 and 3 with reference to the Domestic BU and Brazil BU (TIM S.A.).

[RA 41] Gross Scope 1, 2 and 3 GHG emissions by Business Unit

	UOM	Gross Scope 1 GHG emissions	Gross Scope 2 Location-Based GHG emissions	Gross Scope 2 Market-Based GHG emissions	Gross Scope 3 GHG emissions	Total Location Based GHG emissions	Total Market Based GHG emissions
Domestic BU	tCO2eq	33,750.35	333,801.94	103,374.75	1,439,960.93	**1,807,513.22**	**1,577,086.03**
Brazil BU	tCO2eq	18,651.77	16,279.51	—	585,438.92	**620,370.20**	**604,090.69**
Group Total	tCO2eq	**52,402.12**	**350,081.45**	**103,374.75**	**2,025,399.85**	**2,427,883.42**	**2,181,176.72**

[MDR-M, 77 a], [48a]: The **Group's gross Scope 1 GHG emissions** are reported in metric tons of CO_2eq and are generated almost exclusively from fossil fuels for heating, automotive, and power generation.

Also included in the calculation and converted to CO_2 are leaks of hydrochlorofluorocarbon (HCFC) gases, hydrofluorocarbon (HFC) gases, and other gases when present in air-conditioning and fire-fighting systems.

Valuation of CO_2 equivalent emissions of HCFC, HFC and other refrigerant gases is done by considering global warming potentials (GWP): the index is based on a relative scale that compares the gas considered with an equal mass of carbon dioxide whose GWP is 1 and the calculation used the IPCC's Sixth Assessment Report (VI Report).

The **emission factors** used, expressed in CO_2eq are published by **DEFRA 2024** (Department For Environment, Food and Rural Affairs).

For TIM S.A., emissions from effluents, from the consumption of fuels used for the maintenance of electricity generation plants and from fugitive CO_2 emissions deriving from the recharging of fire extinguishers, have been reported in detail. In addition, biogenic emissions are reported separately.

The calculation of the Scope 1 GHG emissions excludes absorptions, and any shares of GHG or carbon credits purchased, sold or transferred. Furthermore, the TIM Group is not included in the scope of activities for the EU Emissions Trading System (EU ETS).

Scope 1 GHG emissions are calculated by distinguishing the origin from stationary combustion, mobile combustion, process emissions and fugitive emissions using suitable data on activities that include consumption of nonrenewable fuels.

[48a] Type of GHG emissions included in Scope 1 - TIM Group

	UOM	2024
Emissions by stationary combustion:	**tCO2eq**	**22,691.04**
emissions from trigeneration	tCO2eq	16,821.22
heating emissions	tCO2eq	3,734.21
emissions from the self-generation of electricity from mixed sources*[13]	tCO2eq	2,135.61
biogas emissions	tCO2eq	0.00
Mobile combustion emissions:	**tCO2eq**	**9,827.48**
emissions from haulage	tCO2eq	7,911.47
emissions from machinery used for the maintenance and cleaning of plants	tCO2eq	1,916.01
Process emissions:	**tCO2eq**	**0.00**
Emissions from tributaries	tCO2eq	0.00
fugitive emissions:	**tCO2eq**	**19,883.61**
emissions from the dispersion of ozone-depleting gases	tCO2eq	19,883.61
Total Scope 1 emissions	**tCO2eq**	**52,402.12**

[RA 43c] Biogenic emissions not included in Scope 1 - TIM Group

	UOM	2024
Biogenic emissions of CO2 from the combustion or bio-degradation of biomass separately from the Scope 1 GHG emissions	tCO2eq	166.02

[48 b]: In the calculation of Scope 1 GHG emissions, the TIM Group does not use and therefore does not consider emissions covered by regulated quota trading systems.

[MDR-M, 77 a], [49 a, b], [52 a, b], [RA 45 d]: : **TIM Group's gross Scope 2 GHG emissions**, expressed in metric tonnes of CO_2eq, are reported in a disaggregated manner, distinguishing between emissions measured by the Location Based method and those measured by the Market Based method.

For the **Location-Based methodology**, the Domestic BU uses the average emissions associated with the power grid of the country where the energy is consumed, applying **national emission** factors. The databases that have been used include **ISPRA 2023** (published on 22/05/24) for Italy, **Terna 2019** for Turkey and Panama. This approach reflects the indirect emissions deriving from purchased energy based on the composition of the local power grid. For TIM S.A., quantification of emissions is based on the average emission factor for electricity generation in a given power system, using the National Interconnected System (NIS), under the responsibility of Ministries of Science and Technology (MCTi). This mandatory approach is traditionally adopted by the PBGHGP (Brazilian Greenhouse Gas Emissions Management Program).

For the **Market-Based methodology**, specific energy supply contracts were considered, such as green energy purchase contracts or renewable energy certificates. The Domestic BU uses **AIB 2023** (published 4/06/24) **emission factors** for residual mix and location-based methodology for countries outside the European Union where residual mix could not be obtained. There are no biogenic CO_2 emissions from combustion or biodegradation of biomass for Scope 2 GHG emissions. For **TIM S.A.**, the emission factor specific to the electricity generation sources chosen by the Company for purchase is considered.

For the Domestic BU, "Market Based" emissions are covered by Guarantees of Origin for about 75% and Power Purchase Agreements, with ERG for the supply of energy from wind farms, for 9%, covering in total 84% of the total energy purchased. Instead, TIM S.A. uses Renewable Energy Certificates (I-RECs) covering 100% of the energy purchased.

[49a, b]: Gross Scope 2 GHG Emissions - TIM Group

	UOM	2024
Gross Scope 2 Location-Based GHG emissions	tCO2eq	350,081.45
Gross Scope 2 Market-Based GHG emissions	tCO2eq	103,374.75

[MDR-M, 77 a], [51]: The TIM Group's **gross Scope 3 GHG emissions** are in line with the principles of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol (2011 version, pp. 61 and 65-68) and include reporting on the following emission-relevant categories: 1. "Purchased goods and services"; 2. "Capital goods; 11. "Use of products sold.

An effort was also made to expand the disclosure of its emissions to include the following additional categories: 3. "Fuel and energy-related activities", 12. "End of life treatment of sold products".

[13] Emissions from self-generated electricity from mixed sources in the table include both emissions from diesel for generator sets and emissions from natural gas for the self-generation of energy

The reporting boundary includes companies in the environmental perimeter. Offsets and any GHG allowances or carbon credits purchased, sold or transferred are excluded from the calculation of Scope 3 emissions.The Scope 3 categories were measured using inputs from specific activities along the upstream and downstream value chain, but were not calculated based on raw data obtained from suppliers or other partners along the value chain.

Below are the **calculation methodologie**s for the different Scope 3 categories:

- **Category 1 - Purchase of products and services**
  - **BU Domestic:** an **expenditure-based methodology** was adopted that uses the purchase items by commodity group (confirmed expenditure net of intercompany), of the companies included in the environmental perimeter surveyed by SAP[14]. Operating expenses for telecommunication services, including rental and management of space and infrastructure provided by third parties and colocation expenses, were also considered. For the conversion of the monetary value into emissions, the **NACE-Eurostat emission factors** were used. For the other companies in the environmental perimeter[15], subject to reporting, the items in the Consolidated Financial Statements related to expenditures for "Purchase of goods and services" were used to which average emission factors taken from the sample of available data were applied.
  - **TIM S.A.**: an **expenditure-based methodology** was adopted using commodity group purchase items (net of intercompany expenditure) and audited accounting items. For the conversion of the monetary value into emissions, the **NACE-Eurostat emission factors** were used.
- **Category 2 - Purchase of capital goods:**
  - **Domestic BU**: an **expenditure-based methodology** was adopted using the investment items by commodity group (well-extended amounts net intercompany) of companies in the environmental perimeter surveyed by SAP (see Note 14). This includes investment in the operation of its own telecommunications services provided by third parties. For conversion of monetary value to emissions, **emission factors** published by **Eurostat** were used. For the other companies in the perimeter (see Note 15) being reported, investment data were taken from the items in the Consolidated Financial Statements in relation to Investments (CapEx) to which average emission factors taken from the sample of available data were applied.
  - **TIM S.A.**: an **expenditure-based methodology** was adopted, which took audited investment items (net of intercompany investment) as a reference. **Emission factors** related to the type of purchase published by **Eurostat** were used to convert the monetary value to emissions.
- **Category 3 - Fuels and energy-related activities (not included in Scope 1 or 2:** the calculation was made by multiplying the fuel consumption and electricity purchase data of Scope 1 and Scope 2 by their respective emission factors. These factors include the impact generated by the production of the energy carrier and the losses associated with transportation and distribution. For fuels, the **DEFRA 2024** database was used; For non renewable electricity, however, **DEFRA 2021** emission factors were used, as those for the 2024 database were no longer available.
- **Category 11 - Use of goods and services**: the calculation methodology considers the use phase of products sold by the Group. Given the wide variety of products marketed, the average weighted emission impact for the different product categories was initially assessed, then focusing on those with the greatest impact in terms of sales volume. The calculation has considered the **average energy consumption during the average useful life of the product.** The consumption is then multiplied by the corresponding location-based emission factor of electricity. For the **Domestic BU**, the **ISPRA 2023 emission factor** (published on May 22, 2024) was applied, while for **TIM S.A.**, the average emission factor for electricity generation in the **National Interconnected System (SIN)** under the responsibility of the Ministries of Science and Technology (MCTi) was used.
- **Category 12 - End-of-life treatment of products sold:** the methodology considers the disposal stage of products sold by the Group and adopts the **average data method**. Given the large quantity of products marketed, average weights were calculated for each product category, considering sector estimates based on the type of disposal expected for each good. For both the Domestic BU and TIM S.A., **emission factors** based on the **DEFRA 2024** database were used.

No biogenic emissions of CO_2 from the combustion or biodegradation of biomass that occur in its upstream and downstream value chain were registered.

The calculation of the Scope 3 GHG emissions excludes absorptions, and any shares of GHG or carbon credits purchased, sold or transferred.

[51]: Gross Scope 3 GHG Emissions - TIM Group

	UOM	2024
Category 1 Purchased goods and services	tCO2eq	1,507,169.99
Category 2 Capital goods	tCO2eq	303,900.22
Category 3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO2eq	28,255.83
Category 11 Use of sold products	tCO2eq	186,054.21
Category 12 End of life treatment of sold products	tCO2eq	19.60
Total Gross Scope 3 GHG emissions	**tCO2eq**	**2,025,399.85**

[14] TIM S.p.A, Telecontact Center S.p.A., Telecom Italia Sparkle S.p.A., TI Sparkle Turkey, Olivetti S.p.A and Noovle S.p.A..
[15] TI Sparkle Greece S.A., Telsy S.p.A., Panama Digital Gateway S.A. and TIM Retail S.r.l..

[MDR-M, 77 a], [53]: Below is the value of the TIM Group's GHG intensity (environmental perimeter) in metric tons of CO_2eq determined by relating total GHG emissions by both Location Based and Market Based methods to net revenues.

[53] GHG Intensity - TIM Group

	UOM	2024
Total Location Based GHG emissions	tCO2eq	2,427,883.42
Total Market Based GHG emissions	tCO2eq	2,181,176.72
Net revenues used to calculate GHG intensity	€ million	14,207
Intensity of Location Based GHG emissions	**tCO2eq/million €**	**170.89**
Intensity of Market Based GHG Emissions	**tCO2eq/million €**	**153.52**

[55] Reconciliation with financial statements - TIM Group

	UOM	2024
Net revenues used to calculate GHG intensity	€ million	14,207
Net Revenues (other, not related to environmental perimeter)	€ million	235
Total Net Revenues as per Consolidated Balance	**€ million**	**14,442**

For key information related to NetCo, please refer to the section "NetCo Performance Information", Disclosure Requirement E1-6 "Gross Scope 1, 2, 3 GHG Emissions and Total GHG Emissions".

Disclosure Requirement E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

[MDR-M 77 a], [56 a, b], [58 a, b]: TIM provides transparency on GHG offsetting activities carried out outside its value chain through the purchase of certified carbon credits. Specifically, in order to offset the more than 551 tCO_2eq generated in 2024 from consulting the main commercial and institutional websites of the Domestic BU, TIM purchased 552 carbon credits, through "The Envira Amazonia Project," a forest conservation initiative in Brazil, which aims to preserve existing forests by preventing deforestation as a result of logging actions and the consequent release of greenhouse gases (GHGs), particularly carbon dioxide (CO_2). The calculation of avoided emissions and carbon credits to be purchased follows the CO_2web® calculation methodology owned by Rete Clima, a nonprofit technical body specializing in promoting sustainability in organizations, and is verified by the ICMQ Certification Body.

In Brazil, TIM S.A. provides transparency on GHG offsetting activities carried out outside its value chain through the purchase of certified carbon credits. In 2024, 16,619 carbon credits were purchased for the neutralization of direct GHG emissions. The decision to invest in a certified project was driven by the need to also ensure support for local communities and stimulate positive social-environmental aspects.

[MDR-M, 77 a], [58 e, f], [60], [61 a, b, c]: The TIM Group has given public disclosure of its website neutralization activity through the use of carbon credits. However, this activity falls outside the broader targets set by the company (specifically "Carbon Neutrality" and "Net Zero") communicated in the Disclosure Requirement. "E1-4 Targets related to climate change mitigation and adaptation."
"The Envira Amazonia Project" is certified according to the following internationally recognized quality standards:

- Verified Carbon Standard (VCS) - Verra: the VCS standard ensures that the project generates real, verifiable, and permanent CO_2 reductions. It is one of the most internationally recognized standards for GHG emission reduction and absorption projects;
- CCB Standards (Climate, Community & Biodiversity Alliance): the project is also certified to the CCB standard, which attests to the environmental, social, and biodiversity benefits generated by the initiative.

The project ensures a measurable positive environmental impact through reduced emissions from avoided deforestation in support of sustainable economic development projects and uses a biogenic sink, as it relies on the conservation of natural forests that store CO_2 in plant biomass and soil. As the project is located in Brazil, no purchased carbon credits were generated within the European Union.

There are no reported activities, related to the absorption and storage of GHG from its own operations and its upstream and downstream value chain.

Resource use and circular economy [ESRS E5]

Impact, risk, and opportunity management

Disclosure Requirement E5-1 – Policies related to resource use and circular economy

[14], [MDR-P, 65 a]: IROs that emerged as significant from the dual relevance analysis to the theme "Resource Use and Circular Economy " are addressed in the Policy "**Commitment to Environmental Sustainability in the TIM Group**" and the "**Waste Management Procedure**." All policies link to the following significant negative impact revealed by the double materiality analysis:

- *"the incorrect management of waste by TIM (e.g. electronic waste) and its supply chain (e.g. network components) can contribute to environmental pollution and affect the transition to the circular economy".*

With respect to the considered IRO, the Policy "**Commitment to Environmental Sustainability in the TIM Group**" emphasizes TIM's commitment to:

- manage the waste generated through its business in order to favor the reuse and recycling of materials, reducing the use of dangerous substances to a minimum;
- invest in the development of low-carbon solutions, products and services, contributing to the energy transition towards a low-carbon economy;
- choose suppliers and partners based on environmental sustainability criteria.

The "**TIM Waste Management Procedure**" aims to identify general rules, roles and responsibilities for the correct management of waste produced by all business activities in line with mandatory legislative provisions, and with the provisions set out in Legislative Decree 231, considering that the possibilities of prevention, reuse and recycling of the waste produced have already been verified.

In addition, in order to strengthen its commitment to the circular economy, the Group has defined additional guiding principles on the management of resources and waste, which include, among other things:

- the implementation of action plans aimed at reducing the production of waste and increasing the useful life of goods through, for example, the supply of regenerated products for customer service and the sale of reconditioned products;
- the promotion of programs for the recycling of business equipment such as PCs and mobile phones as well as business furniture that is reused internally or donated for social purposes;
- the selection of suppliers who maximize the recovery of the waste sent for disposal and who favor the reuse of rare resources and precious materials;
- the preparation of training and awareness programs for employees in order to spread responsible behavior within the Organization.

To contextualize the Group's policies in the Brazilian business context, TIM S.A. has also defined the "**Environmental Policy**" in which the company sets out its commitment to:

- promoting the continuous improvement of its environmental performance;
- mitigating environmental risks associated with the company's business;
- compliance with the relevant regulations and the Group's guidelines.

With reference to the specific impact identified for the "circular economy" theme, the policy also aims to manage waste with a view to adopting best practices to reduce production and promote its separate collection, recovery and recycling and the intelligent distribution and reverse logistics of products for an ecologically correct final destination.

[14], [MDR-P, 65 b]: The "Commitment to Environmental Sustainability" Policy is valid at the Group level. In particular, the recipients of the document are all the Italian and foreign TIM Group companies, the TIM Foundation, Instituto TIM, the operating structures and corporate departments whose business may also have potentially significant impacts on the environment.

TIM's Waste Management Procedure is intended for all TIM's business functions and companies in Italy that, for different reasons, participate in the management of the waste deriving from their activities within the national territory.

[14], [MDR-P, 65 c]: The implementation of the "Commitment to Environmental Sustainability" Policy is entrusted to the head of the Corporate Communication and Sustainability Department who reports directly to the Chief Executive Officer.

TIM's Waste Management Procedure is approved by the Human Resources Department and by all the main business functions involved in waste management.

[14], [MDR-P, 65 d]: The "Commitment to Environmental Sustainability" Policy is in line with the main international reference standards such as ISO 14001, ISO 14064, ISO 50001 and the GHG Protocol.

For TIM's Waste Management Procedure, the list of the main regulatory references is provided below:

- Community Directive 2008/98/EC on waste and decision 2014/955/EU.
- Legislative Decree no. 152 of April 3, 2006 (and subsequent amendments) - Environmental regulations - Part IV.
- Ministerial Decree of December 17, 2009 - Establishment of the waste traceability control system, pursuant to Article 189 of Legislative Decree no. 152 of 2006 and Article 14-bis of Decree-Law no. 78 of 2009 converted, with amendments, by Law no. 102 of 2009 and subsequent amendments.

- Ministerial Decree no. 145 of April 1, 1998 - Regulation defining the model and the contents of the waste accompanying form pursuant to articles 15, 18, paragraph 2, letter e), and paragraph 4, of Legislative Decree no. 22 of February 5, 1997.
- Ministerial Decree no. 148 of April 1, 1998 - Regulation approving the model of the incoming and outgoing waste records pursuant to articles 12, 18, paragraph 2, letter m), and 18, paragraph 4, of Legislative Decree no. 22 of February 5, 1997.
- Commission Regulation (EU) no. 1357/2014 of December 18, 2014, which replaces Annex III of Directive 2008/98/EC of the European Parliament and of the Council on waste and which repeals certain directives, having entered into force on June 1, 2015.
- Offences provided for by the Criminal Code pursuant to Italian Law no. 68 of May 20, 2015 ("Provisions on crimes against the environment"): Articles 452 and subsequent amendments.

[14], [MDR-P, 65 e]: The Group Policies take into account aspects identified as fundamental and priority by analyses conducted internally and with external stakeholders. These aspects are strongly linked to the operations of the TIM Group Companies.

[14], [MDR-P, 65 f]: To ensure the contents of the Policies are shared, the TIM Group makes documents available to its stakeholders on its corporate intranet and on the Group's company website **www.gruppotim.it**, in compliance with "least privilege" and "need to know" principles. Where appropriate, for relations with third parties, specific contractual clauses will be added relating to the acceptance and/or compliance with some, such as the Code of Ethics.

Information on TIM S.A.'s policies, on the other hand, can be found on its institutional website **https://ri.tim.com.br/** in the "Regulations and Policies" section

[15 a]: In the "Commitment to environmental sustainability in the TIM Group" Policy, the company emphasizes its focus on:

- the management of waste generate din the course of its business, which is carried out focusing on the reuse and recycling of objects, substances and materials to minimize the use of hazardous substances;
- the management of infrastructures and company offices, paying particular attention to technological systems, their design, operation and maintenance, to minimize the use of virgin resources such as paper, water, gas and fuels.

[15 b]: In the Policy "Commitment to environmental sustainability in the TIM Group", the Company recognizes the importance of ensuring that, in its business and in those of the supply chain, renewable resources are managed in such a way as to preserve the environment and to implement circular economy models. Specifically, TIM:

- when choosing suppliers, give priority to the adoption of recognized certification standards, such as the FSC for paper or the Environmental Product Declaration (EPD) and the carbon footprint for products, to ensure that the supply is managed in a sustainable way;
- promotes the recovery of raw materials, the regeneration of products, for example, for service management, as well as the sale of reconditioned devices.

Disclosure Requirement E5-2 – Actions and resources in relation to resource use and circular economy

[19], [MDR-A 68 a, b, c, e], [MDR-A, 69 a, b, c]: In addition to circular economy policies that provide the framework for consistent and informed management of business activities, the Group deploys actions and resources related to:

1. **Waste Management**
2. **Resource outflows related to products and services**

Actions are targeted to benefit TIM's customers and employees, both in Italy and Brazil, and involve internal operations and the value chain. In addition, these actions are continuous in order to ensure efficiency in the use of output resources and incentive in the adoption of circular processes.

Financial resources in terms of significant operating expenditures (OpEx) and capital expenditures (CapEx) are also reported in the description of the actions.

1. Waste Management

The following actions aim to reduce the consumption of resources such as paper, plastic and encourage the spread of circular models.

Domestic BU

- **Installation of water dispensers:** in 2024, there were 10 dispensers in TIM's wholly owned locations, which distributed about 14,400 liters of water with an annual emission savings of about 0.65 $tC0_2eq$ equal to about 7,200 0.5l plastic bottles.
- **monitoring of paper purchases**, achieved by periodic tracking of purchases. In 2024, about 1,030 t of paper was purchased, including 1,022 t for commercial use and 8 t for office use.
- **monitoring paper consumption for bills, payment reminders and contract termination notices**. Specifically, monitoring activities included:

- bills issued to customers (Consumer fixed and mobile, Enterprise and Server Message Block (fixed and mobile). About 96.5 million bills were issued in 2024, of which about 54.3 million were digital, accounting for 56% of the total (an improvement of 20 percentage points over 2023). OpEx related to this activity amounted to €4,668.482k;
- payment reminders and contract termination notices issued to customers (consumer fixed and mobile, enterprise and smb fixed and mobile). In 2024, 4.3 million payment notices were issued of which 1.6 million were digital or 39% of the total, (an improvement of 28 percentage points over 2023). OpEx related to this activity amounted to €5,942.844k;
- The digitization of customer contracts at the physical sales network. In 2024, implementation of the new mode involving digital contract signing via One Time Password (OTP) was completed, resulting in paper savings of 10 A4 sheets per fixed line contract (NIP/LLU), and 3 A4 sheets per mobile line contract (AL/MNP). The implementation has been enabled across the entire physical sales network, which includes more than 4,000 Points of Sale, both single brand and multibrand. Digital contracts will be effectively operational from 2025. OpEx related to this activity amounted to €438k and CapEx amounted to €412k.

TIM S.A.

- **digital invoicing:** in 2024, with the issuance of digital invoices and collections, TIM S.A. avoided the use of 8,142 tonnes of paper and the consequential generation of waste, saving R$ 471,298,666.13. The initiative also avoids the emission of 10,735 tCO_2e.

2. Resource outflows related to products and services

The initiatives described below are aimed at recovering materials and resources to reduce waste generation and extend the useful life of products.

Domestic BU

- **Recovery and reuse of corporate IT equipment and smartphones** (such as PCs, Videos). The collected assets are regenerated for reuse within the company or donated. In 2024 out of nearly 12,000 pieces of IT equipment collected, 7,500 pieces or 64% were recovered while the remainder were disposed of. Of the 7,500 pieces of reconditioned computer equipment, 42% were reused, 7% were donated, and the remaining 51% are available for reuse. This activity resulted in emission savings of about 1,520 tCO_2eq in the year, equal to about 19,500 Milan-Rome flights. The OpEx related to these activities amounted to €92.7k
- **Trade-in initiatives** aimed at extending the useful life of products and encouraging the recovery of raw materials. In Italy, with the "TIM Rivaluta Smartphone" service aimed at Consumer customers, customers return their old smartphone and receive a discount on a new purchase. The old device is either regenerated or disposed of sustainably. More than 5,500 smartphones were collected in 2024, of which about 80% were reconditioned, with 0.9 t of e-waste diverted from landfills and 0.03 t of rare resources recovered;[16.]
- **Replacement of failed products with remanufactured products**. In particular, the following initiatives are highlighted:
  - smartphone replacement service in case of failure or refund in case of theft or loss, aimed at Business customers ("All Risk Assistance" service): in 2024, about 22,000 reconditioned smartphones were given for replacement, accounting for 77% of the total replacements made. The OpEx related to these activities amounted to €2,498k and CapEx €3,594k
  - replacements of failed modems with reconditioned modems for Consumer customers: in 2024, 33,000 replacements were made with reconditioned parts, accounting for 33% of total replacements;
  - modem regeneration through collaboration with inmates of Turin Prison[17]: in 2024, 46,000 modems were reconditioned of which 33,000 were reused. The OpEx related to these activities amounted to €322k
- **Reconditioned smartphones for sale**. TIM offers reconditioned grade-A Apple smartphones to ensure high quality devices at affordable and environmentally friendly prices. Smartphones are purchased from specialized suppliers who recondition the products through a rigorous process of repairing, replacing, and upgrading damaged or worn components. In 2024, 5 different models of Apple smartphones were listed and more than 800 phones were sold. OpEx related to this activity amounted to €226k;
- **Production of physical SIMs with reduced environmental impact**: SIM cards for TIM and KENA customers are made from 100% recycled and recyclable plastic, use flyers made from FSC-certified paper and 100% recyclable plastic bags;
- **Activation of e-SIMs in place of physical SIMs**, to promote material savings associated with physical SIM production and reduce e-waste: an analysis performed on the carbon footprint of e-Sim toward physical SIM[18] showed a unit emission savings of 98%. In 2024, e-SIMs were activated on 77,000 lines with an estimated saving of 9.9 tCO_2eq. The e-SIM implementation activity involved CapEx of €55k.

[16] Numbers provided by Assurant, partner of TIMFin
[17] Contracted through TIM Service Trade provider
[18] Life Cycle Assessment (LCA) study, performed by Rete Clima, a specialized nonprofit, aimed at assessing the reduction in greenhouse gas emissions of an e-SIM compared to a Physical SIM over the entire product life cycle (from production to disposal)

TIM S.A.

- **Trade-in program for mobile phones and smartwatches** where customers can return old devices and obtain a discount on the purchase of new models. All devices undergo a detailed evaluation and, where possible, a repair process in order to be reused/resold. Equipment that cannot be reused or reconditioned is sent for recycling. In 2024, around 3,860 smartphones were collected, of which about 93% were reconditioned.
- **Reuse of abandoned "customer equipment"** (CPM - Customer Premises Equipment) such as modems and routers: the equipment is collected, evaluated, and, depending on its condition, subjected to the reconditioning process for new use. 163,404 modems were reconditioned in 2024.

OpEx related to these two activities amounted to €2,410.14k

[19], [MDR-A 68 d]: With respect to the theme "resource use and circular economy," the double materiality analysis identified the following negative impact: *"the incorrect management of waste by TIM (e.g. electronic waste) and its supply chain (e.g. network components) can contribute to environmental pollution and affect the transition to the circular economy"*.

The aforementioned impact is mitigated through initiatives to optimize and reduce the consumption of resources, such as water and plastic, and to recondition products in order to extend their useful life and limit the waste generation, limiting the damage that the Group's activities can cause to the environment.

Metrics and targets

Disclosure Requirement E5-3 - Targets related to resource use and circular economy

[23], [MDR-T, 80 a - j]: Without prejudice to the company's ongoing commitment to adopting circular models in its operations and value chain, TIM has not defined a specific target on resource use at the Group level, defining specific targets that take into account the country context.

In Italy, the different organizational structure has resulted in a substantial change in the size of the infrastructure and population of the Domestic BU, drastically reducing the production of industrial waste related, for example, to network decommissioning activities and the recovery of network equipment and materials.

In this context, the focus has been on products, introducing a specific target of an absolute nature, **"100% TIM brand products with carbon footprint"**, which envisions, by 2026, having the carbon footprint of 100% of TIM brand modems marketed.

The target covers the range of TIM-branded modems and involves suppliers being asked for internationally recognized third-party certifications such as EPD or Carbon Footprint.

In the new 2025-2027 Plan, the goal will become an integral part of the transition plan, further strengthening TIM's commitment to environmental sustainability.

In Brazil, on the other hand, **TIM S.A**. has set a goal to **reuse and recycle 95% of solid waste by 2025**, given the amount of waste generated and commitments made to Brazilian stakeholders. In 2024, the base year of the target, total waste of 2,292.11 tons by eliminating class C and D organic and construction waste was 99.93% reused or recycled. To ensure the scientific soundness of the objective, TIM S.A. has adopted internationally recognized methodologies for waste management, following ISO 14001 standards for environmental management systems.

[24 a, b, d, e, f], [25], [27]: In reference to the Domestic BU, in order to achieve the goal, the Company requires specific ESG parameters and also a certification of the product's carbon footprint in tenders and contracting to give customers a transparent and comparable assessment of the environmental impact. The goal, which translates into a voluntary commitment, not imposed by law, is mainly related to the aspect of circular design, on the use of sustainable materials and the reduction of energy consumption.

In reference to TIM S.A., the company has a goal to dispose of at least 95% of solid waste for reuse or recycling by 2025. This target represents a voluntary commitment, not mandated by legislative obligations, is within the waste hierarchy in the following levels:

- preparation for reuse, ensuring that the products or components can be reused for the same purpose for which they were generated;
- recycling, turning waste into new materials or products, thus promoting the circular economy.

[81 a], [81 b i, ii]: Although it does not have a Group level target, TIM monitors the effectiveness of policies and actions related to impacts to risks on resource use and the circular economy through the following metrics that it monitors on a periodic basis:

- total amount of waste produced;
- total amount, in weight, of waste not directed to disposal;
- the quantity, in weight, of waste destined for disposal by type of treatment.

In addition, the group has the above mentioned international-level ISO 14001 certification for environmental management systems that requires companies to develop processes to reduce waste, improve recycling, and effectively manage disposal.

Disclosure Requirement E5-5 - Resource outflows

[35], [36 a, b]: In the Domestic sphere, the TIM Group collaborates with a specialized network of suppliers to make products that increasingly respond to circular principles, paying particular attention to TIM-branded products. On modems, which account for about 90% of the total products marketed under the TIM brand, the first model[19] with EPD (Environmental Product Declaration) certification validated by a third party, which provides transparent and comparable information on the environmental impact of the product while also specifying the carbon footprint, was introduced in 2024.

Modems respect the following circularity principles:

- **durability**: modems are designed to guarantee a long operating life, limiting the use of frequent replacement of their individual components, containing the production and generation of electronic waste;
- **reusability and reconditioning**: discarded modems are reconditioned or disposed of in a sustainable manner, promoting reuse and reconditioning of materials wherever possible;
- **repairability and disassembly**: modems are designed to be easily disassembled allowing easier repair work and extending the useful life of the device;
- **recycling:** TIM uses eco-friendly, recycled and recyclable materials for the production of its modems, reducing environmental impact and promoting sustainable resource management. When awarding supplies, TIM requires that the plastics used be recyclable;
- **energy efficiency**: TIM modems are designed to ensure low energy consumption during their use, contributing to a reduced carbon footprint;
- **sustainable packaging**: modem packaging is made from 100% recycled and recyclable cardboard, reducing the use of plastic and other unsustainable materials.

The average lifespan of modems is about 10 years, given the specific technology used by the device, systematic and non-systematic failures, and the availability of replacement parts. In addition, it was required in the bidding process that the Mean Time Between Failures (MTBF) be more than 300,000 hours.

TIM guarantees service and repair of modems, also using reconditioned products. The reconditioning of failed modems is accomplished by retrieving devices returned by customers, checking the status to assess the feasibility of remanufacturing, replacing standardized functional blocks or components, and re-entering the technical service cycle to replace other failed devices.

There is also a special focus on circularity principles on the SIM cards as these products are made of 100% recyclable and recycled plastic (TIM and KENA), while the flyers are all made of FSC-certified paper and the plastic bags are 100% recyclable.

[MDR-M, 77 a], [36 c], [40]: The rate of recyclable content in products and their packaging is expressed in the table below. Specifically, the recyclable content rate in products is 93.17%, while the recyclable content rate in product packaging is 29.94%.

[36 c] Recyclable content - TIM Group

	UOM	2024
Recyclable content rate in products	%	93.17
Total weight of recyclable content in product packaging	%	29.94

The recyclable content rate of products is calculated using the weight of the TIM HUB+ modem as a reference and applying the same weight to TIM-branded modems. The weight of the modem is 860g, while the weight of the packaging is 360g.

Outbound flows of TIM-branded products are recorded on dedicated management systems, and control over quantities is carried out directly.

[MDR-M, 77 a], [37 a, b, c, d], [38 a, b], [40]: To monitor waste production and improve recovery and reuse activities, the Group collects and analyses waste production data on a periodic basis.

In Domestic, waste is classified according to the European Waste Catalogue (EWC) and is obtained through direct measurements and tracked on dedicated management systems. Waste classification, management and delivery methods are in accordance with Directive 2008/98/EC of the European Parliament and Council, also known as the "Waste Framework Directive."

In Brazil, TIM S.A. to classify and manage waste follows a management approach that tracks the inflow and outflow of resources, which provides an overview of resource consumption, waste generation, and recycling activities. Hazardous and non-hazardous wastes are classified following ISO 14001 to ensure validation and comparability.

Relative to its own operations, the TIM Group produces:

- non-hazardous waste such as mixed packaging and electrical and electronic waste, cables and metals;
- hazardous waste such as batteries and accumulators.

These types of waste are in line with the TLC sector. In addition, materials in the main types of waste generated by the Group include mainly paper, wood and plastic, and metal scraps, consisting mainly of iron, steel and copper.

[19] Model "TIM HUB Pro"

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In 2024, the TIM Group generated 5,395.22 tonnes of waste from business operations. The table below provides details of the total amount, by weight, of waste destined and diverted for disposal, distinguished between hazardous and non-hazardous waste, with evidence of the type of treatment.

[37 a, b, c,d] Waste generated - TIM Group

	UOM	2024 Hazardous waste	2024 Non-hazardous	2024 Total
Total waste generated	**t**	**956.64**	**4,438.58**	**5,395.22**
Waste not directed to disposal	**t**	**946.33**	**4,294.17**	**5,240.50**
Waste diverted from disposal for preparation for reuse	*t*	*0.00*	*87.24*	*87.24*
Waste diverted from disposal through recycling	*t*	*522.95*	*1,734.84*	*2,257.79*
Waste diverted from disposal for other recovery operations	*t*	*0.00*	*0.00*	*0.00*
Total waste directed to disposal	**t**	**10.31**	**144.41**	**154.72**
Waste directed to disposal for incineration	*t*	*5.16*	*11.16*	*16.31*
Waste directed for disposal for landfill	*t*	*5.16*	*133.26*	*138.41*
Waste directed for disposal for other disposal operations	*t*	*0.00*	*0.00*	*0.00*
of which non-recycled waste	*t*	*10.31*	*144.41*	*154.72*
Percentage of waste not recycled	**%**	**1.08**	**3.25**	**2.87**

With reference to the information on the amount of waste destined for disposal, the Group assumed that 50% of waste is disposed of in landfills and the remaining 50% is destined for incineration, in line with the "Urban Waste Reports 2023-ISPRA" study.

For waste not intended for disposal, specific details cannot currently be provided at the Group level. The only company that currently has this evidence is TIM S.A.. Therefore, the data shown in the table under the headings "waste diverted from disposal through preparation for reuse" and "waste diverted from disposal through recycling" refer to TIM S.A. alone.

In general, the data collection process will be refined in order to provide missing disclosures for all Group companies.

The company takes a structured approach to proper waste disposal, including annual audits that ensure compliance with environmental regulations and ESG commitments.

[39]: The following is a breakdown of the total amount of hazardous waste and radioactive waste generated by the Group.

[39] Hazardous and radioactive waste - TIM Group

	UOM	2024
Total amount of hazardous waste	t	956.64
Including total amount of radioactive waste	*t*	*0.00*

For key information on the subject related to NetCo, please refer to the section "NetCo Performance Information", disclosure requirement E5-5 "Outgoing resource flows".

3. SOCIAL INFORMATION

Own workforce [ESRS S1]

S1-Strategy

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[S1 SBM-2, 12]: In setting the strategy and business model, the TIM Group takes into account the interests, opinions and rights of its own workforce. The company collects workers' needs directly through interviews, questionnaires, meetings and indirectly through workers' representatives by implementing policies and actions to meet them.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

[S1 SBM-3, 14 a]: In identifying the types of workers subject to material impacts as a result of its operations, the TIM Group includes the following definitions:

- **employees** with whom the Group has a direct contractual relationship that can be for a fixed or indefinite period, full time or part-time.
- **non-employee workers** with whom the Group has an indirect contractual relationship through TIM's suppliers. This category includes:
  - workers contracted through the intermediation of temporary employment agencies and/or staffing agencies by including staff with administered contracts, mainly in staff leasing mode (with reference mainly to TIM Retail);
  - self-employed workers, understood as independent professionals who provide services or skills to the company without an employment contract, typically with project collaboration contracts, linked, for example, to business consulting or health care activities for the Assilt institution.

[S1 SBM-3, 14], [S1 SBM-3, 14 b]: The TIM Group double materiality analysis identified significant impacts on **its own workforce** related to both its own operations, in terms of cybersecurity, sensitive data leakage, incentive systems and training and inclusion initiatives, and value chain operations such as, for example, in relation to worker health and safety.

Specifically, the analysis identified the following **six material negative impacts**, two of which were found to be related to specific incidents, namely:

- *"potential cybersecurity threats may involve the leak of sensitive customer and/or employee data". In 2024, there were only 3 low-impact episodes that did not lead to any data compromise or loss*
- *"Insufficient safety measures, lack of training and inadequate protective equipment can cause accidents at work, injuries and damage to the health of employees and workers in the supply chain"*, taking into account the 25 episodes of injury.

The remaining negative impacts, on the other hand, appear to be of a general nature:

- *"Inadequate incentive system can affect employee satisfaction"*
- *"Inadequate development, inclusion, and work-life balance initiatives can affect employee satisfaction";*
- *"A working environment that does not provide employees with the "right to disconnect" results in increased work stress and burnout, with consequences for employee well-being";*
- *"The absence of equal pay at executive, managerial and employee levels may require corrective action to encourage the attraction of talent".*

[S1 SBM-3, 14 c]: The TIM Group's double materiality analysis identified **four material positive impacts related** to the TIM Group's own workforce, which are the result of the set of policies, actions and goals that the TIM Group has set for itself in the areas of inclusion, gender equality, training and well-being:

- *"The engagement of employees results in greater leadership capacity and professional development, improving job satisfaction";*
- *"A flexible organizational environment that promotes the well-being of employees and their families can generate benefits in terms of work-life balance";*
- *"Training and reskilling programs on the subject of digital transformation generate new skills to support the professionals of the future";*
- *"Incentive mechanisms that encourage employees to adopt sustainable practices promote a culture of responsibility towards environmental and social impact".*

[S1 SBM-3, 14 d, f, g], [S1 SBM-3, 16]: The TIM Group's double materiality analysis found the following **three material risks** related to its own workforce:

- *"Human rights violations within the company and along the supply chain may result in legal liability and consequent reputational damage";*

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- *"Unauthorized access to the personal data of customers or employees can result in legal liability, regulatory sanctions, economic and financial damage and reputational damage";*
- *"Gender inequalities in terms of pay and positions of responsibility and non-transparent career paths can have consequences on the attraction and retention of talent".*

No material risks referred to forced labor, bonded labor or child labor were found.

The following **three material opportunities** related to the own workforce were then found:

- *"Flexible and hybrid working models can improve employee productivity and well-being, whilst reducing operating costs";*
- *"The enhancement of employer branding along with the provision of professional refresher programs and talent management strategies can help attract and maintain a highly qualified and diverse workforce";*
- *"The establishment of achievable performance objectives for employees promotes company productivity".*

Some risks and opportunities may affect specific groups of people. In particular, the inequalities that could have consequences on the attraction and retention of talent, historically concern the female population despite the company's constant commitment to reduce the pay gap, while employer branding and talent management particularly impact young people and women.

Below is the detail of the risk and opportunity considered to have an impact on these groups of people:

- Risk: "*Gender inequalities in terms of pay and positions of responsibility and non-transparent career paths can have consequences on the attraction and retention of talent*";
- Opportunities: "*The enhancement of employer branding along with the provision of professional refresher programs and talent management strategies can help attract and maintain a highly qualified and diverse workforce*".

[S1 SBM-3, 14 e]: The significant changes in the Group's structure and activities during 2024 make it necessary to define a new Transition Plan (for more details, see the Disclosure Requirement E1-1 "Transition plan for the mitigation of climate change"). However, the Company's long-term strategic direction in environmental matters, aimed at ensuring the progressive decarbonization of operating activities and the supply chain, while respecting workers' rights and in line with international agreements, does not change. Below are the impacts on workers generated by actions taken by the company also to reduce carbon emissions:

- Positive impact: *"A flexible organizational environment that promotes the well-being of employees and their families can generate benefits in terms of work-life balance";*
- Positive impact: *"Incentive mechanisms that encourage employees to adopt sustainable practices promote a culture of responsibility towards environmental and social impact".*

[S1 SBM-3, 15]: Through the double materiality analysis, conducted with engagement initiatives on all categories of its stakeholders and to periodic internal surveys on the level of worker satisfaction, the TIM Group pays particular attention to the female population and that of young people, who are more exposed to possible negative impacts that may result from professional development limitations and issues of gender inequality.

S1-Impact, risk and opportunity management

Disclosure requirement S1-1 - Policies related to own workforce

[19], [MDR-P, 65 a]: The aspects of the IROs that emerged as significant from the double materiality assessment for the topic "**Own workforce**" are covered in the "**Code of Ethics and Conduct of the TIM Group**", in the "**Human Rights Policy**", in the "**Human Resources and Equal Opportunities Policy**", in the "**Policy for the management of episodes of gender-based and sexual harassment and bullying**", in the "**Health and Safety Policy**", in the "**Information Security Policy**" and in the "**System of rules for the application of personal data protection regulations in the TIM Group"**.

All policies are linked to the following material impacts, risks and opportunities that emerged from the double materiality analysis:

Negative impacts

- *"A working environment that does not provide employees with the 'right to disconnect' results in increased work stress and burnout, with consequences for employee well-being";*
- *"Inadequate development, inclusion, and work-life balance initiatives can affect employee satisfaction";*
- *"An inadequate incentive system can have an effect on employee satisfaction";*
- *"The absence of equal pay at executive, managerial and employee levels may require corrective action to encourage the attraction of talent";*
- *"Insufficient safety measures, lack of training and inadequate protective equipment can lead to accidents at work, injuries and damage to the health of employees";*
- *"Potential cybersecurity threats may involve the leak of sensitive employee data".*

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Positive impacts

- *"A flexible organizational environment that promotes the well-being of employees and their families can generate benefits in terms of work-life balance";*
- *"Training and reskilling programs on the subject of digital transformation generate new skills to support the professionals of the future";*
- *"The engagement of employees leads to a growth in leadership capacity and professional development, improving job satisfaction";*
- *"Incentive mechanisms that encourage employees to adopt sustainable practices promote a culture of responsibility towards environmental and social impact".*

Risks

- *"Gender inequalities in terms of pay and positions of responsibility and non-transparent career paths can have consequences on the attraction and retention of talent";*
- *"Human rights violations within the company and along the supply chain may result in legal liability and consequent reputational damage";*
- *"Unauthorized access to the personal data of employees can result in legal liability, regulatory sanctions, economic and financial damage and reputational damage".*

Opportunities

- *"The enhancement of employer branding along with the provision of professional refresher programs and talent management strategies can help attract and maintain a highly qualified and diverse workforce";*
- *"Flexible and hybrid working models can improve employee productivity and well-being, whilst reducing operating costs";*
- *"The establishment of achievable performance objectives for employees promotes company productivity".*

The **Code of Ethics and Conduct** guides TIM's actions in carrying out its business, in the belief that a common vision of ethics in the daily conduct of business is the essential prerequisite for responsible and sustainable growth. Specifically, the document includes:

- the distinguishing values of the Group's culture;
- the rules of ethical behavior for people in the Group and the guidelines for the conduct to be pursued in dealings with third parties;
- the objectives and good practices relating to sustainability and social responsibility, in order to conduct business activities in a way that safeguards the various aspects of the environmental, social and governance-related affairs of the Group;
- the methods of complying with the Code through the description of the commitment of corporate boards and management teams, as well as the approach to managing violations, whistleblowing, and the methods of disseminating and adopting of the document.

In relation to the IROs material to the "Own Workforce" theme, the document underlines TIM's commitment to:

- ensuring a safe, inclusive, fair and stimulating working environment, within a framework of respect for workers' rights and trade union freedoms, focusing on the dignity of the individual and the championing of all types of diversity;
- combating all forms of discrimination based on gender, sexual orientation, gender identity, ethnic or social origin, citizenship, language, religion, political or other opinions, membership of a national minority, disability or age, ensuring that employment relationships are characterized by fairness, equality and equity;
- ensuring equal opportunities at every stage of the collaborative relationship, from hiring to development to career progression, basing every decision solely on the criteria of merit;
- promoting initiatives designed to ensure the work-life balance of employees, the result of a well-established, widely-recognized philosophy of caring and corporate welfare;
- encouraging flexible working and guaranteeing the right to disconnect, thanks to a series of technological tools and IT work platforms.

The '**Human Rights Policy**' aims to make respect for human rights an essential requirement when engaged in the Group's activities, and also concerns third parties who enter into relationships with the company.

The Policy identifies Human Rights that may be affected, directly or indirectly, by activities.

In relation to the IROs material to the "Own Workforce" theme, the protection includes fundamental human rights such as working hours, fair wages, minimum working age, workplace conditions, the protection of maternity rights, the prohibition of harassment; the rights relating to health and safety; the rights designed to safeguard diversity and prevent discrimination based on religion, age, gender, sexual orientation or gender identity, political opinion, social status and origin, race or ethnicity, color, language, physical or mental disability; the rights agreed with the unions and included in the National Employment Contracts; the privacy rights of Group employees.

The policy also sets out the processes through which the Company undertakes to respect human rights. Specifically, all activities within the scope of the policy are subject to periodic internal due diligence inspired by the Guiding Principles of the United Nations Global Compact , which aims to:

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- identify and map the human rights risks arising from the Group's operational activities;
- confirm that each topic is governed by a specific internal regulatory framework (for example, policies, procedures), is monitored and tracked (where possible through appropriate indicators) and has had the related responsibilities assigned to it;
- establish a gradual improvement strategy which, beginning with simple compliance with local laws, steers human rights policies and processes towards engagement with the relevant stakeholders, through appropriate initiatives designed to engage them.

The "**Human Resources and Equal Opportunity Policy"** includes the following key content and objectives:

- to improve the management and promotion of human resources in TIM;
- to illustrate the principles behind the actions carried out by all the companies of the Group, so that they become current practice within the company and for external partners with whom the Group enters into business relationships.

With regard to the IROs of reference, the policy underlines the commitment to:

- ensuring engagement, respect and inclusion, fostering an inclusive working environment, not allowing any form of discrimination in recruitment, remuneration, access to training, promotion or retirement, and safeguarding the right to accessibility of systems, equipment and workstations for all employees with disabilities;
- fostering a good work-life balance, including flexible working as an integral part of the new organizational model;
- delivering development and training, establishing career routes for individuals for career management and targeted and diverse training courses to consolidate professional skills, upgrade or retrain;
- adopting a fair and balanced system of remuneration, with fixed and variable components for the short and long term, which also includes a sustainability component, to attract, retain and motivate people;
- protecting the health and safety of employees and preventing occupational diseases, assessing safety risks and adopting the principles, standards and solutions that constitute 'best practices' for prevention, both in terms of appropriateness and effectiveness;
- protect freedom of association and the right to collective bargaining, recognizing and respecting the right of workers to form and/or join trade unions for the protection of individual and collective interests;
- protect personal data, adopting a well-structured organizational model that can ensure the correct application of the relevant legislation.

With the '**Policy for the management of episodes of gender-based or sexual harassment and bullying',** the company is committed to showing zero tolerance for gender-based or sexual harassment, bullying or similar behaviors, promoting respect between people and creating opportunities to raise awareness on the issue of harassment, in all its forms, as well as disseminating information on the tools available to everyone to prevent, limit and manage harassment.

Specifically, the commitments regard:

- the raising of employee awareness and the training of people;
- the provision of an anonymous process for reporting and managing episodes of harassment, which can be accessed by individuals without company mediation;
- the provision of free legal advice, psychological assistance for the victim and a "Person of Trust", an external, impartial figure with experience with harassment, bullying or on sexually inappropriate behavior, who can provide clarification on company policy or on the channels available to address problematic situations.

The '**Health and Safety Policy**', drafted in accordance with UNI EN ISO 45001 provisions, aims to:

- foster the reduction of accidents, occupational diseases and other accidental events, through the implementation of appropriate prevention and control measures;
- ensure full compliance with legal requirements and mandatory safety requirements on the design, construction and management of buildings;
- guarantee the best living conditions for working environments and services for people;
- assess risks to the safety and health of workers, with a view to gradually eliminating these or reducing them to a minimum through the adoption of best practices.

In relation to the IROs material to the "Own Workforce" theme, the document also underlines TIM's commitment to:

- empowering the organization, on the basis of specific skills, to manage safety in a proactive manner, where each worker plays an active role in improvement and prevention initiatives;
- promote a transparent dialogue with workers and their safety representatives with regard to activities, performance and goals related to health and safety.

The '**Information Security Policy**' focuses on the protection of information and all related assets, as a fundamental element for the safeguarding and continuity of business processes.

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The Group undertakes to:

- establish processes, roles and responsibilities to ensure information security;
- guarantee a level of confidentiality, integrity and availability of information that is proportional to the respective business value, or to the direct or indirect losses that a security incident may have with regard to the services provided to customers.

In relation to the IROs of reference, the policy also aims to:

- guarantee the security of personal information pertaining to employees, in compliance with the legislation in force, and in order to protect the employee;
- raise awareness and train staff on the safety of information.

In order to achieve the objectives set out in the policy, TIM has adopted an Information Security Management System designed to ensure the correct governance of specific processes and activities for the security of information assets.

Finally, the "**System of rules for the application of personal data protection regulations in the TIM Group**" sets out the norms and operating rules for the TIM Group that govern the processing of personal data, in accordance with the applicable legal and regulatory provisions on personal data protection.

This document concerns the correct processing of personal data of all the company's stakeholders, defining the methods of corporate monitoring and the corresponding responsibilities, as well as the technical/ administrative measures for data protection.

With regard to TIM workers (employees and those treated as such), the document draws attention to the regulations and procedures to be observed when processing the personal data of the abovementioned parties during the phase prior to the establishment of the working relationship, during the course of the same, and in the termination phase.

To place the Group's policies in context within the Brazilian business world, TIM S.A. has also established a series of policies to guide and manage the impacts on its workforce. The following are of particular note:

- The "**Diversity and Inclusion**" policy, which aims to set out guidelines for managing diversity and inclusion issues in processes related to managing people at TIM S.A at all hierarchical levels, including the presence of social groups (gender, race/ethnicity, generations) on the company's Board of Directors. TIM S.A. also encourages its partner companies and suppliers to foster inclusive working environments and relationships, with a particular focus on improving diversity and implementing policies and programs designed to promote inclusion.
- The "**Health and safety at work**" policy, which sets out the principles to be applied across all TIM activities in Brazil with a view to promoting continuous improvement in terms of carrying out health and safety-related actions at work. Among other things, TIM Group's commitments include compliance with the relevant regulations, risk management, activities to provide training and raise awareness, and the analysis of accidents or injuries, with a view to preventing these or minimizing the effects thereof.
- The goal of the "**Corporate Development and Learning**" policy is to establish guidelines and criteria for offering individual or collective development and learning opportunities, in line with the strategy and the corporate culture of the Group, and in a manner that values the contribution of each individual. The policy sets out the model, plan and actions for development and learning.

[19], [MDR-P, 65 b]: The Code of Ethics and Conduct applies to all people in the Group, with particular reference to the members of the Corporate Boards, management, employees of all Group Companies, external collaborators, and, where required by the company's procedural system, to third parties in business relationships with the Group. The Human Rights, Human Resources Policy and Equal Opportunity Policy covers all people in the TIM Group and aims to protect the rights of all third parties who enter into business relations with the company.
The Information Security Policy is for all Group functions and companies that, within the scope of their specific responsibilities, operate in various ways using company information and data. The policy for the management of episodes of gender-based or sexual harassment and bullying and the system of rules for the application of personal data protection regulations in the TIM Group are aimed at TIM's employees.

[19], [MDR-P, 65 c]: The adoption of the Code of Ethics and Conduct was decided by resolution of the TIM Board of Directors on March 15, 2023. A periodic review of the Code is also ensured to implement any necessary updates.

The adoption of the Human Rights Policy was implemented from the first levels of the main company functions affected, including Corporate Communication & Sustainability, Human Resources & Organization, Compliance, Legal & Tax as well as the other business functions. Specifically then, the Corporate Communication & Sustainability Department is responsible for updating the policy; the Human Resources & Organization department is responsible for complying with the policy with respect to TIM's people, while the Procurement department is responsible for complying with the policy in relation to the involvement of the Group's suppliers; the Compliance department oversees the risk of non-compliance with applicable regulations.

The Human Resources and Equal Opportunities Policy was drafted and approved in collaboration with the Human Resources Department and the Gender Equality Steering Committee.

The Policy for the management of episodes of gender-based or sexual harassment and bullying has been drafted and approved in collaboration with the Compliance department and the Human Resources & Organization department.

The adoption of the 'TIM Health and Safety Policy' is guaranteed by the Health, Safety & Environment department, which ensures the monitoring of issues relating to prevention, safety and health for workers, and by the Real Estate department, which is responsible for implementing compulsory occupational health and safety measures in company buildings.

The Information Security Policy is approved by the Compliance, Public Affairs, Security & International Business Office and Human Resources & Organization departments, in order to ensure consistency between TIM's strategy and the policy content.

The adoption of the "System for the application of personal data protection regulations in the TIM Group', is ensured both within TIM and in the Group companies by internal privacy officers, with any necessary support and advice provided by the Privacy department (TIM) and the Privacy Coordinators (Group companies). In fact, the Privacy department is responsible, within the context of the role of TIM's Data Protection Officer (DPO), for steering, coordinating and overseeing the correct application of privacy legislation at Group level; in the Group's companies, this role is held by the Privacy Coordination figure, in conjunction with TIM's DPO.

[19], [MDR-P, 65 d]: The Code of Ethics and Conduct and the Human Resources and Equal Opportunities Policy are in line with the principles of the United Nations Global Compact, which TIM has joined.

As far as the Human Rights Policy is concerned, the key third-party references used to draft his document are as follows:

- UN Universal Declaration of Human Rights, 1948
- UN International Covenant on Civil and Political Rights, 1976
- UN International Covenant on Economic, Social and Cultural Rights, 1976
- UN Human Rights Council, Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, A/HRC/17/31, 2011
- UN High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework, 2011
- UN Global Compact Office and Office of the United Nations High Commissioner for Human Rights, A Guide for Business: How to Develop a Human Rights Policy (2011 e 2015)
- UNICEF and The Danish Institute for Human Rights, Children's Rights in Impact Assessments, December 2013
- International Labor Organization, Declaration on Fundamental Principles and Rights at Work, 1998
- International Labor Organization, Conventions 1, 29, 30, 87, 98, 100, 105, 111, 135, 138, 144, 155, 161, 171, 175, 182, 183
- International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social policy
- Amnesty International — Italian chapter, Universal Declaration of Human Rights
- CSR Europe Assessing the effectiveness of company grievance mechanisms, 2013
- European Commission, ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights, 2013
- OECD, Guidelines for Multinational Enterprises, 2011
- Charter for Equal Opportunities and Equality at Work, signed by Telecom Italia in 2010.

For the "Policy for the management of episodes of gender-based or sexual harassment and bullying", the main third-party references used when drafting the policy are as follows:

- Communication from the Commission of the European Communities to the Council and the European Parliament, dated November 8, 2007, to present the European Framework Agreement on workplace harassment and violence signed on April 26, 2007 by CES, BUSINESSEUROPE, UEAPME and CEEP
- CCNL TLC February 1, 2013: Art.45 — Company relationships (see points 1, 2 and 4) and Art. 48 — Dismissal for misconduct: A) Dismissal with notice — point 2 - letter g); B) Dismissal without notice – point 4 - letter o)
- Interconfederal Agreement of January 25, 2016. Framework Agreement on Harassment and Violence in the Workplace by Confindustria and CGIL, CISL and UIL
- Framework Agreement on harassment and violence in the workplace signed between Assotele — Asstel and the SLC CGIL, FISTEL CISL, UILCOM UIL on January 16, 2019
- Italian Civil Code: Article 2043: Non-contractual liability
- Criminal Code (Art. 594: Injuria (insult), Art. 595: Defamation, Art. 604 bis: Propaganda and incitement to commit crimes on grounds of racial, ethnic and religious discrimination, Art. 609 bis: Sexual violence, Art. 612: Threat, Art. 612 bis: Persecuting acts, Art. 660: Harassment or disturbance to people)
- Legislative Decree May 30, 2005, n. 145 "Implementation of Directive 2002/73/EC on equal treatment between men and women, with regard to access to work, training and professional promotion
- Italian Law no. 38 of April 23, 2009 "Conversion into law, with amendments, of Decree-Law no. 11 of February 23, 2009, containing urgent measures in the field of public safety and the fight against sexual violence, as well as with regard to acts of persecution"
- Legislative Decree no. 81 of June 15, 2015, "Organic regulation of employment contracts and revision of the legislation on professional duties, in accordance with Article 1, paragraph 7 of the Italian Law no. 183 of December 10, 2014" ("Jobs Act")

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- Italian Law no. 179 of November 30, 2017, "Provisions for the protection of whistleblowers reporting offences or irregularities that have come to their knowledge as part of public or private employment"
- Budget Law 2018 (Italian Law no. 205 of December 27, 2017)
- Italian Law no.69 of July 19, 2019, "Amendments to the Criminal Code, the Code of Criminal Procedure and other provisions regarding the protection of victims of domestic and gender-based violence."

The Health and Safety Policy is inspired by the international standard on occupational health and safety management systems, ISO 45001.

For the Information Security Policy, the main external references of the document refer to:

- ISO/IEC 27000:2018 - Information technology - Security techniques - Information security management systems - Overview and vocabulary
- ISO/IEC 27001:2022 - Information security, cybersecurity and privacy protection – Information security management systems - Requirements
- ISO/IEC 27002:2022 - Information security, cybersecurity and privacy protection — Information security controls
- ISO/IEC 27035-1:2023 Information technology - Information security incident management - Part 1: principles and process
- ISO/IEC 27035-2:2023 Information technology - Information security incident management - Part 2: Guidelines to plan and prepare for incident response
- ISO/IEC 27035-3:2020 Information technology – Information security incident management - Part 3: Guidelines for ICT incident response operations.

For the 'System of rules for the application of personal data protection regulations in the TIM Group', the main regulatory references are as follows:

- General Data Protection Regulation (GDPR)
- Personal data protection code (Legislative Decree 196/2003 as amended)
- Data Protection Authority Orders

[19], [MDR-P, 65 e]: The Group Policies specifically take into account aspects identified as fundamental and priority by analyses conducted internally and with internal stakeholders through questionnaires and interviews. These aspects are strongly linked to the operations of the TIM Group Companies.

[19], [MDR-P, 65 f]: To ensure the contents of the Policies are shared, the TIM Group makes documents available to its stakeholders on its corporate intranet and on the Group's company website, in compliance with "least privilege" and "need to know" principles. Where appropriate, for relations with third parties, specific contractual clauses will be added relating to the acceptance and/or compliance with some of the policies, such as the Code of Ethics.

Information relating to TIM S.A.'s policies is instead available on the relevant institutional website in the dedicated "Regulations and Policies" section https://ri.tim.com.br/en/esg/regulations-and-policies/

[20 a, b]: TIM Group's Human Rights Policy explicitly recalls the OECD Guidelines for Multinational Enterprises, the Declaration on Fundamental Principles and Rights at Work issued by the International Labor Organization, and is in line with the principles of the United Nations Global Compact (TIM is among the founders and active participants of the Global Compact Networks in Italy and Brazil).

In order to identify and address potential negative impacts on human rights, Tim conducts regular due diligence to identify and map the potential risks that derive from the Group's operational activities, and to establish measures for improvement.

The Policy, which is referred to in the majority of company policies, operating procedures, and management systems, involves all its own workers, explicitly encouraging feedback with a view to achieving improvement.

[21]: The Group's Human Rights Policy is aligned with all the guiding principles of the United Nations, the OECD and the International Labor Organization, as can be seen from the following references explicitly mentioned in the document:

- UN Universal Declaration of Human Rights, 1948
- UN International Covenant on Civil and Political Rights, 1976
- UN International Covenant on Economic, Social and Cultural Rights, 1976
- UN Human Rights Council, Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, A/HRC/17/31, 2011
- UN High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework, 2011
- UN Global Compact Office and Office of the United Nations High Commissioner for Human Rights, A Guide for Business: How to Develop a Human Rights Policy (2011 e 2015)
- UNICEF and The Danish Institute for Human Rights, Children's Rights in Impact Assessments, December 2013
- International Labor Organization, Declaration on Fundamental Principles and Rights at Work, 1998

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- International Labor Organization, Conventions 1, 29, 30, 87, 98, 100, 105, 111, 135, 138, 144, 155, 161, 171, 175, 182, 183
- International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social policy
- OECD, Guidelines for Multinational Enterprises, 2011.

[22]: In its Policy on Human Rights, TIM explicitly condemns any form of forced or bonded labor, as well as any form of exploitation of children and young people, specifying also that people under 18 years of age are not employed.

[23]: TIM operates a Health and Safety management system (SSL) that includes procedures and policies designed to ensure that the working environment is safe and that measures are implemented to prevent injuries and occupational diseases.

In accordance with the provisions of the UNI EN ISO 45001 standard, the 'Health and Safety Policy' establishes the principles at the core of the management system with regard to the prevention and reduction of injuries, occupational diseases and other accidental events, through the implementation of appropriate prevention measures and checks. There are also specific internal procedures that govern the management of injuries and accidents. Within Italy, the procedure relating to the "management of injuries in workers" specifies that occupational accidents must be subject to specific investigations designed to examine the causes of the event, in order to implement any corrective measures and actions for improvement with the direct involvement of the lines concerned and the Human Resources department. In Brazil, the internal procedure entitled "Management of work events" stipulates that all accidents or injuries must be analyzed by the team of occupational health and safety professionals, that the causes must be identified, and that action plans are drawn up with a view to preventing further events of the same nature in the future.

TIM S.A. also adopts an occupational health and safety management system within the Brazilian context, with essential processes and initiatives to maintain a healthy, safe environment for its workers. The key elements of this system include compliance with reference standards; risk management; training and awareness activities; accident prevention and mitigation; process of continuous improvement.

[24 a, b]: When addressing the issue of discrimination within its policies, TIM takes race and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinions, national ancestry or social background into consideration, as well as any other form of discrimination.

TIM implements a number of policies designed to promote equal opportunities and inclusion, including those related to the prevention and management of episodes of gender-based and sexual harassment and bullying. Specifically:

- in the Code of Ethics and Conduct, TIM prohibits any form of discrimination or harassment
- in the Human Rights Policy, TIM sets out its commitment to being a proactive promoter and leader of these rights
- in the Human Resources and Equal Opportunities Policy, TIM condemns all forms of discrimination, harassment and mobbing
- In the Policy for the management of episodes of gender-based and sexual harassment and bullying, TIM undertakes not to tolerate gender-based or sexual harassment or bullying, or any similar behavior.

[24 c]: In its policies, the TIM Group demonstrates a particular focus on employees who belong to groups that are particularly at risk of vulnerability, such as women, people with disabilities, older workers, workers with health problems and workers belonging to racial, ethnic or religious minorities.

[24 d]: To ensure that discrimination is prevented, mitigated and addressed once detected, TIM has adopted a specific whistleblowing procedure that allows workers to report illegal behavior and violations of the code of ethics within the organization, without fear of reprisals.

Disclosure Requirement S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

[27 a, b, c]: The Group is dedicated to constantly engaging and dialoguing with its workforce, both directly and through employee representatives. For example, in 2024, the Group involved a sample of 463 people from the "People of TIM" category (one of the Group's 8 main stakeholder categories) in the double relevance analysis designed to identify the relevant impacts of TIM activities on the environment, people and governance.

In the Domestic sphere, the company also sought the constant involvement of employee representatives, organizing more than 80 meetings at national and regional level in 2024. Themes such as supplementary corporate bargaining (performance-related bonus), the safeguarding of employment boundaries (solidarity contract) and organizational developments were discussed.

In addition, several meetings of the joint commissions (bodies within the area of consultation) were held, as provided for by the TIM industrial relations model - essential for maintaining a dialogue between the social partners and the company. These committees, composed of representatives from the company and labor organizations, are tasked with taking a technical look at specific subjects, including training, occupational health and safety, welfare and equal opportunities.

During trade union meetings, any general demands expressed by workers can also be discussed, which can then be highlighted to the company (such as but not limited to: work-life balance, training, working hours). Provided that they are sustainable and compatible with the business choices, these instances can be finalized through union agreements.

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TIM's industrial relations model also aims to promote information, consultation and negotiation within the framework of legal and contractual provisions, which includes representation at both national and regional levels.

In particular, Unitary Trade Union Representations (RSUs) are present at regional level, in order to encourage adequate participation in the grass-roots discussion. In addition to the protections and rights afforded by law and by the collective bargaining agreement, TIM also recognizes specific additional prerogatives for the trade union representatives in the company. Employees can use the company intranet to view any news related to the contents of the main trade union agreements. With regard to the involvement of the representatives, the resources are established in the budget, in accordance with the projects and agreements that the company intends to implement. The Industrial Relations function within the Human Resources & Organization Department has oversight of the involvement of representation, within the legal and contractual frameworks applied, while for the double relevance analysis, the involvement of own workers is in charge of the Sustainability function within the Corporate Communication & Sustainability Department.

TIM S.A., in managing its actual and potential impacts, also involves employee representation at the national and territorial levels, particularly in situations involving collective bargaining agreements and their respective negotiations, the profit-sharing program, and any internal reorganizations that could result in massive employee layoffs. As in Italy, collective bargaining is applied to all employees.

In TIM S.A., the People, Culture & Organization function has within it the Trade Union & Labor Relations function, which is responsible for and monitors relations and negotiations with trade unions.

[27 d]: The TIM Group operates in full compliance with the relevant legislation on human rights, and is committed to preventing any violations related to its activities in accordance with the UN guidelines. Accordingly, even in the absence of a global framework agreement between the company and the workers' representatives regarding respect for the human rights of its own workforce, the company has adopted a specific policy on Human Rights which is aimed at all of its stakeholders. Furthermore, when establishing trade union agreements and the regulations governing the employment relationship, TIM takes all fundamental human rights into account, with the commitment to ensuring that they do not affect freedom, dignity, equality and justice.

[27 e], [28]: The TIM Group assesses the effectiveness of its own worker involvement by monitoring worker participation in the relevance analysis and through analysis of responses received to the survey on the Climate and Welfare Survey.

In particular, the views gathered through interviews and questionnaires, contribute to the construction of the Group's inclusion plan that values the uniqueness of each individual, ensuring flexibility and customization of corporate initiatives, policies and projects. The main areas of intervention include disability, sexual orientation, gender identity, ethnicity and religion. TIM actively promotes an inclusive culture both inside and outside the organization. In Brazil, TIM S.A, promotes a Diversity and Inclusion program that values vulnerable categories of the workforce through the Affinity Groups initiative, which includes Women+, +Colors, Pride+, We Are+ and Generations+, with the aim of promoting an inclusive dialogue and culture and implementing meaningful projects to enhance differences in the company.

Disclosure Requirement S1- 3 - Processes to remediate negative impacts and channels for own workers to raise concerns

[32 a, b]: TIM monitors significant negative impacts that have arisen for its own workforce with specific policies, processes, actions and reporting channels if workers wish to communicate concerns or needs directly to the Company and have these addressed.

With reference to this last point, TIM and the Group companies provide internal channels to report any information regarding TIM Group Staff and/or third parties to the Supervisory Body, regarding violations of laws and regulations, the Group's Code of Ethics and Conduct, the 231 Organizational Model, as well as the system of rules and procedures in force in the TIM Group.

In the **Domestic** , the **main reporting channels** are noted below:

- **Whistleblowing**
  - Whistleblowing Portal, which is designed to guarantee the confidentiality of the whistleblower's identity through the use of secure protocols and encryption tools. After entering the report, the portal provides a Unique Identifier Code, which can then be used to check the processing status of the report and to send and receive communications (including anonymously). This channel is available to employees, former employees, job candidates, partners, customers, suppliers, consultants, collaborators, partners and, more generally, anyone who has a legitimate interest in the business activities of the TIM Group. The reports are received by the TIM Supervisory Body or the TIM Group company concerned, which then uses TIM's Audit department to carry out in-depth investigations;
  - voicemail of the toll-free number 800664411 of the Whistleblowing service;
  - standard mail to the Supervisory Body of TIM or the TIM Group company concerned, addressed to the company's registered office.
- **Health, safety and environment**
  - an internal reporting channel, accessible to each department manager within the company, in relation to the Health, Safety and Environment component, implementing the regulation "Employer responsibilities regarding health and safety in the workplace and environmental protection - checks on the work of delegated persons";

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- internal reporting channel for complaints relating to construction activities and network maintenance (noisy manhole covers, damage to underground services on site, etc.).

- **Security**
  - internal email reporting channel that employees can use if they become aware of a security vulnerability in systems, corporate applications or TIM-branded products accessible from the internet;
  - an intranet portal for reports of security incidents, which concern human, material and immaterial resources;
  - an internal channel that ensures 24-hour monitoring of critical events and the management of IT security incidents in conjunction with the relevant functions;
  - a form dedicated to reports relating to episodes of "abuse", to be understood as "any activity committed on the network and/or through the use of TIM Group assets for the purpose of committing crimes or causing damage to third parties, in violation of company rules and/or legislative provisions";
  - in internal channel for reporting spam/phishing emails, accessible from employee inboxes: spam@telecomitalia.it.

In Brazil, TIM S.A**.** in addition to the **Whistleblowing** channel, provides its employees with an additional anonymous reporting channel for workplace accidents, within the corporate intranet. In addition, employees can directly contact the Health, Safety and Environment team and the People, Culture and Organisation team through the Meu RH channel, to report any specific concerns or needs.

[32 c]: Within the Group, the Supervisory Board, of TIM and its respective subsidiaries oversees the process of handling complaints and grievances concerning personnel, maintaining the responsibilities and prerogatives of the Board of Statutory Auditors for reports addressed to it, including complaints under Article 2408 of the Civil Code.

In order to follow up on reports, the TIM Supervisory Bodies and those of the Group's subsidiaries rely on the assistance provided by TIM's Audit Department, which carries out the investigation, acquiring the necessary information from the departments concerned and engaging the relevant business functions, whilst also making use of experts or advisors external to TIM, where deemed necessary.

The investigative phase of the Report verifies the merits of the reported circumstances, reconstructs the management and decision-making processes based on available evidence, and provides guidance for corrective actions to resolve the detected irregularities. Evaluations of the merits or appropriateness of decision-making and management aspects are not included in the inquiry analysis unless they are manifestly unreasonable.

At the end of each investigation, the results are communicated to TIM's supervisory body, and, for reports on subsidiaries, also to the supervisory body of the relevant subsidiary company. The Supervisory Body then decides whether or not to close the report, highlighting any failure to comply with rules/procedures, without prejudice to the exclusive competencies of the Chief Human Resources & Organization Office function, with regard to disciplinary actions.

The results of the investigations are summarized in a report or, for significant and/or complex cases, in a preliminary note. This includes a judgment based on the facts reported, the outcome of the activities carried out and the results of any previous investigative activities, as well as any indications for corrective actions in the areas and business processes examined.

The Supervisory Body must track the progress of the corrective actions via the information periodically provided by the Audit Department.

In Brazil, TIM S.A. has implemented a periodic monitoring system for employee health and safety risks, which includes direct observations, document analysis, inspections, and internal and external audits. The company conducts periodic simulations of emergency cases and has an Emergency Response Plan (ERP) for handling critical scenarios.

To ensure a fair and safe working environment, TIM S.A. provides mechanisms for reporting and handling complaints related to personnel issues. In accordance with the Collective Bargaining Agreement 2024/2026, employees have access to free legal aid for criminal proceedings related to their functions, except in cases of negligence or willful misconduct.

The company also offers specific tools for handling reports of discrimination, harassment or other forms of intolerance in the workplace (LGBTI+phobia, racism, misogyny, ageism, religious intolerance, moral or sexual harassment). Employees who are victims of such situations can seek legal support and benefit from the company's guaranteed criminal defense.

TIM S.A. provides a social worker and/or psychologist for psychological support to employees in vulnerable situations. This service is part of the Bem+Estar Conception Program, aimed at promoting the well-being of employees and their families.

The company guarantees the confidentiality of reports and has set up dedicated communication channels for handling complaints and grievances, ensuring an appropriate intake and response process in compliance with current regulations and company best practices.

[32 d]: In reference to reporting channels for the workforce, at the Group level TIM provides various tools and initiatives integrated into the work environment:

- Corporate intranet platform, which serves as a central hub for internal communications and includes a section dedicated to reporting channels, including the Whistleblowing channel.
- TIM Academy training platform, accessible from the Corporate Intranet, offering training courses on corporate issues, including modules dedicated to Whistleblowing, sexual harassment prevention and anti-bullying.

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- Internal events with Q&A sessions, available both live and offline, to provide clarification on reporting processes and to collect questions, evaluations and suggestions through feedback questionnaires.

With reference to TIM S.A. alone, the Whistleblowing channel is made available to all employees through structured and continuous communication, which includes:

- The dissemination of corporate policies and procedures in official regulatory documents.
- The inclusion of information in the company's Code of Ethics.
- Mandatory online training to make employees aware of the use of reporting channels.
- The publication of informative posts on the company intranet homepage.
- Participation in live sessions and other outreach initiatives aimed at enhancing awareness and accessibility of reporting mechanisms.

[32 e]: The company controls and monitors the issues raised through the supervisory bodies of TIM and the subsidiary companies, making use of the support of TIM's Audit department and ensuring the effectiveness of the various channels, following up on reports and analyzing these in a detailed and timely manner.

At TIM S.A., the Whistleblowing channel is managed by the company's Internal Audit department, which reports directly to the Board of Directors. Complaints are submitted during regular meetings of the Internal Control Committee (CAE) and the Control and Risk Committee (CCR). The effectiveness of the whistleblowing channel is assessed annually through independent evaluations (external and internal), with regard to the way that it is managed, as well as to the management systems in place. In addition, it is monitored and measured through key performance indicators. Employee feedback is also collected through surveys conducted after presentations given to different functions of the Company.

[33]: TIM monitors the degree of awareness and reliability of reporting channels through employee feedback, collected through:

- Analysis of interaction with information materials on the intranet;
- Feedback questionnaires in online training courses;
- Internal events with question and comment sessions;
- Business climate surveys, which include assessments of trust in reporting channels.

To protect workers, including their representatives, from retaliation, TIM has adopted specific policies, such as the Whistleblowing Procedure and the Policy on Handling Gender, Sexual Harassment and Bullying Incidents. These documents guarantee anonymity of reports, confidentiality of information, and a zero-tolerance policy toward any form of retaliation.

In TIM S.A., the Whistleblowing channel is supported by an ongoing awareness and training program, while the results of business climate surveys guide any improvement actions.

Disclosure Requirement S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

[37], [MDR-A, 68 a, b,c, e], [MDR-A, 69 a, b, c]: In addition to the policies on "own workers", which provide the framework for the coherent and informed management of business activities, the Group also implements measures and resources related to the following issues:

1. **working conditions**: adequate wages; working hours, work-life balance; health and safety;
2. **equal treatment and opportunity**: training and skill development, gender equality and equal pay for equal value work; diversity, gender equality and equal pay for work of equal value;
3. **other labor-related rights collective bargaining:** social dialogue; freedom of association; confidentiality.

The actions are aimed at both own workers in Italy and Brazil and, where not specified they constitute an ongoing nature and are repeated annually.

Due to the corporate discontinuity that occurred on July 1, 2024, it is not possible to provide comparative information on the activities compared to those of previous years.

1. Working conditions

The main, ongoing actions in the areas of adequate wages, working hours, work-life balance, and health and safety are highlighted below.

Domestic BU

- **Adequate wages**
  - Adoption of remuneration policies aimed at ensuring adequate remuneration for the entire corporate population and resulting in individual and collective short- and long-term incentive systems (Result Bonus, Sales Incentive Plans, Short Term and Long Term) for the achievement of corporate objectives of a commercial, economic-financial and ESG scope.

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- Definition of indicators in managerial incentive systems with targeted targets aimed at reducing the Gender Pay Gap.

■ **Work-life balance**

- Continued implementation of Agile working. The agreement, which was entered into on November 22, 2022 and is currently being extended until March 16, 2025, provides for three days of work at home and two at headquarters. Membership is voluntary and there is provision for expansion of flexible working days for certain personal situations such as pregnancy, maternity/paternity, and medical treatment. In 2024, the take-up rate was 93.48% of eligible employees.

■ **Health and Safety**

- Management and verification of measures to protect the health and safety of workers, in line with Legislative Decree 81/08 through the preparation of the Risk Assessment Document (DVR) by the Health Safety Environment (HSE) function, which contains all prevention measures in order to manage and reduce risks in the workplace.
- Preparation of investigations by the local safety departments, which deal with emergency plans, the appointment of firefighters, the management of first aid, the planning of evacuation tests and the conduct of inspections necessary for the selection of risk reduction measures in extraordinary situations;
- Periodic redefinition of environmental requirements necessary for the mitigation of hazards in the work environment. The activity provided OpEx of €68k.
- Management and organizational engagement actions to develop an organizational culture that include semi-annual participation of the Head of Prevention and Protection (RSPP) in the Safety Steering Committee;
- Informational activities through the company intranet or in person to collect reports of employee concerns when verifying the application of the rules.
- Preparation of visit protocols that covered about 4,600 TIM workers for the following risks: VDU work, risk of manual handling of loads for technical roles, risk of working at height, risk of electromagnetic fields, chemical risk.
- Dedicated training: 25,681 hours of health and safety training were conducted during 2024, including on first aid and environmental emergency management.

Financial resources used for health protection activities amounted to an OpEx of €425.98k.

TIM S.A.

■ **Work-life balance**

TIM S.A. provides its employees and family members with a health care program that includes:

- social service and personal support: free support for employees and family members in sensitive social situations, available 24/7 via phone or e-mail, with remote services included.
- Women's Versions program: free consultations for menopausal women, with opportunities to participate in group meetings and lectures on the topic.
- Sintonize em Você: promotion of emotional well-being through conversation circles, workshops, and psychological support to cope with difficult moments and know when to ask for help.

■ **Health and Safety**

- Projects and campaigns to promote health and safety culture: Each year, Bem+Estar Week offers safety, health and environmental initiatives for employees. In 2024, the main topics covered were physical and mental health care and awareness of diseases such as hypertension and sexually transmitted diseases.

2. Equal treatment and opportunity

The following highlights the main, ongoing actions in training and skills development, gender equality and equal pay; diversity and inclusion.

Domestic BU

■ **Training and development**

- Onboarding program dedicated to more than 300 newly-hired employees, with training, work experience visits and meetings with members of the management team.
- “Women Empowerment” path dedicated to 200 women with high potential for growth in managerial roles. The financial resources used in 2024 amounted to OpEx of €1125k.
- Individual development plans through coaching paths. In 2024, 400 people were involved with a total of 4,000 hours provided. The financial resources used in 2024 amounted to OpEx of €25k.
- Collective development plans, such as the “Red Card” project dedicated to 25 new managers, with a view to providing them with the tools they need to address complex issues within the environment and to manage resources. The financial resources used in 2024 OpEx were €24k.
- A “reskilling and upskilling” project focused on technological skills and soft skills to support digitalization. In 2024, the initiative recorded 280,000 hours of training and the involvement of 14,400 people. The financial resources used in 2024 amounted to OpEx of €1,300k.

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- Initiatives for 1,100 colleagues Under 35 including: participation in Mentoring Academy to enhance engagement and strengthen strategic skills; enrollment in the Linkedin Learning platform, with an ecosystem of more than 30,000 useful training modules to boost continuing education; the Young Generation with Higher Education Engagement activities and the Ideathon.
- Age Empowerment Program: initiatives to improve motivation and employability with special emphasis on senior employees.
- Staff assessment: 170 assessments were conducted in 2024 dedicated to entry-level management positions (agile assessment) and leadership roles with executive weight (Managerial assessment).
- Performance Management involves continuous annual evaluation of the performance and behavior of the entire corporate population. The financial resources used in 2024 amounted to OpEx of €112k.

■ **Diversity and Inclusion**

- Disability Management Plan with the goal of empowering colleagues to enable them to go about their working day peacefully. The financial resources used in 2024 amounted to OpEx of €26.7k.
- “Deaf Inclusive” program to enable colleagues to communicate more easily through supplementary technological equipment.
- “Nobody Excluded” project with the goal of providing specific computer equipment to people with disabilities;
- Annual awareness and training programs on dyslexia and neuro-diversity, designed to increase awareness within the company.

TIM S.A.

■ **Training and development**

- “Black Pearls” program to enhance and accelerate the careers of “black professionals” with potential so that they can assume leadership positions in the Company.
- “TIM 50+” program for employees over 50 years old designed to promote development and encourage participants to keep an open mind towards change and new technologies.
- Partnership with "Todas Group," a platform that aims to develop women's leadership.

■ **Diversity and Inclusion**

- Diversity & Inclusion program which, in 2024 focused on the five pillars of Diversity and Inclusion: Gender, People with Disabilities, LGBTI+ People, Race/Ethnicity and Generations.

3. Other work-related rights

Domestic BU

■ **Data protection**

- TIM Group privacy operating model: ensures the proper implementation of data protection regulations, developed according to the principle of privacy-by-design and subject to periodic improvements. It is based on the: transposition of legal provisions, that is, on the constant study and interpretation of regulations; clear definition of roles and responsibilities regarding personal data processing compliance; provision of information to various categories of data subjects (e.g., employees/workers) on the processing of their personal data; assessment of the risk associated with processing activities, recorded in the appropriate Registries (under the GDPR); taking of appropriate technical and organizational measures to ensure an adequate level of security.

TIM S.A.

- TIM S.A. invests in and promotes various actions aligned with global cybersecurity practices and in compliance with the General Data Protection Law (LGPD), no. 13.709/2018. In addition, TIM S.A. has been ISO 27001 certified since 2022. The main actions of the information security team include: appointment of the figure of the Data Protection Officer (DPO); creation of the Data Protection Committee; employee training, review of internal regulatory documents, hiring of a digital tool to assist and manage Holder's Rights, creation of the Privacy Center on TIM's website, among others.

[37], [MDR-A, 68 d]: Within the context of **IT security**, in 2024, there were no security incidents that had the characteristics of a “material event”, with the corresponding reporting obligation in accordance with the relevant company process. There was only one incident with a medium impact, caused by a DDOS attack characterized by unusual attack methods; this was promptly mitigated with the implementation of appropriate countermeasures designed to prevent similar situations in the future, or mitigate these before they generate significant impacts. Only two incidents (caused by process or system vulnerabilities but which in any case had a low impact) out of a total of 8,265 were worth reporting.

[38 a,b], [39], [43]: With regard to the material impacts identified for the Group’s own workforce, the following actions are implemented or planned to mitigate or prevent any significant negative impacts on the Group’s own workforce:

■ To prevent or mitigate the negative impact "Potential cyber security threats may result in the leakage of sensitive customer and/or employee data", the enterprise identifies the necessary and appropriate actions to deal with it as part of the Cyber Security process that ensures the logical security and protection of IT

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and infrastructure resources, ICT assets as well as information. A central role is also played by the Data Protection Officer (DPO) of TIM and TIM Group companies, with advisory, training, informational, and oversight functions in compliance with the GDPR. DPO activities include, among others: the management of issues with the Data Protection Authority; specialized support to Corporate Functions and Group Companies for the proper processing of personal data; the provision of opinions to assess the risk to the rights and freedoms of the people concerned; the coordination of obligations relating to the management of data breaches. TIM assesses the effectiveness of actions through the DPO who informs and advises the organization and its employees about their data protection obligations under the GDPR and monitors the organization's compliance with the Regulation and internal data protection policies and procedures. To manage the impact, TIM employs 82 FTE (full-time equivalent) staff.

- To prevent or mitigate the negative impact of "insufficient safety measures, lack of training and inadequate protective equipment, which can cause accidents at work, injuries and damage to the health of employees and workers in the supply chain", TIM takes the following actions (see MDR-A 68 a, b, c, d).

Domestic BU

- Adoption of Safety Management Model according to the UNI ISO 45001 standard for all processes related to offices and mixed-use buildings.
- Establishment of the Safety Steering Committee, chaired by the Chief Executive Officer, to ensure compliance of the Management System with relevant standards, foster integration among business functions and share improvement measures.
- Information, awareness and training campaigns for all staff.
- Implementation of an "identity card" for each employee indicating the risk profile of the work task and the information needed to perform the task safely. For employees at risk, personal protective equipment and protocols to be followed are also indicated. information is available on the corporate intranet.
- Internal reporting channel for facility managers, related to Health, Safety and Environment, in implementation of the "Employer's Delegation of Powers in Occupational Safety and Health and Environmental Protection" Regulations.
- Computerized warning system to report hazards.

TIM monitors and evaluates the effectiveness of actions through the Safety Steering Committee, chaired by the CEO, which: ensures that the Management System complies with relevant standards; promotes integration between different business functions; shares improvement measures.

To manage the impact TIM allocates significant resources to the following areas: safety training, with: mandatory courses and periodic updates on emergency procedures, use of Personal Protective Equipment and risk management; supervision and implementation of security measures with a team of 27 experts; monitoring and collecting feedback from employees to improve security policies and practices.

TIM S. A.

- Implementation of the "Safety and health at work" Policy, which includes: prevention of accidents at work and protection of health; compliance with legal and other requirements of the organization; continuous improvement of the management system to increase safety and health performance.
- Occupational safety and health management system with essential processes and initiatives to maintain a healthy environment for all. The main aspects of this system are: legal compliance and other requirements; risk management; training, education and outreach; safety, health and emergency programs; prevention and mitigation of accidents and incidents; and process of continuous improvement.

- To prevent or mitigate the following negative impacts:
  - *"An inadequate incentive system can have an effect on employee satisfaction".*
  - *"The absence of equal pay at executive, managerial, and employee levels may require corrective action to encourage the attraction of talent".*

The TIM Group adopts compensation policies aimed at remunerating the entire corporate population appropriately as described in MDR-A 68 a, b, c, section "Adequate wages, also providing for specific indicators in managerial incentive systems", which are monitored periodically, to assess the effectiveness of actions. Management requires dedicated economic budgets to foster fair pay.

- To prevent or mitigate the negative impact of "*Inadequate development, inclusion and work-life balance initiatives can affect employee satisfaction,*" TIM has consolidated over the years a very rich welfare plan aimed at the physical, psychological and social well-being of employees and their families, with a view to creating a good corporate climate, which also has a positive impact on productivity and attendance.

Domestic BU

TIM's **welfare plan** in 2024 has seven strands:

- **Personal Services** that include: partnership with WellHub for free or discounted services for physical exercise; psychological service offering 8 free online psychotherapy sessions (used by over 200 colleagues in 2024); mindfulness and autogenic training courses; courses on prevention on certain categories of diseases and programs on healthy lifestyles.

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- **Family Services** including: "TIM Summer", 2-week summer vacation for employees' minor children (1,194 participants in 2024); "TIM Study", study Assistance and School and Academic Guidance Programs (485 enrolled in 2024) and Interculture Scholarships (8 scholarships); "TIM Care", caregiver employee program with guidance and caregiver/baby-sitter search; "TIM Childhood", the service that provides financial support for expenses incurred for nursery, childcare or baby-sitting services (for the 2023/2024 school year, there were 594 beneficiaries).
- **Merit and Justice** includes programs to develop the talent and performance of all employees with specific focus on bridging the gender gap and specific attention to the younger generation (see section [37] [MDR-A, 68 a, b, c, e] "Training and development").
- **Health:** discounted health insurance policies, care, check-ups, free vaccination campaigns. TIM My Health, the free medical care policy for all employees with emergency care for the family, 24/7 medical support available, prescription issuance and home medication delivery; Free check-up for everyone over 45 every 2 years (about 5,000 invited in 2024) and Flu Vaccination Campaign: Total refund, with over 300 participants; Insurance that provides health benefits supplementary to those of the National Health Service.
- **Economic support**: company smartphones and SIMs with mixed use; Flexible and Fringe Benefits platform, which enables employees to convert their performance bonuses into welfare services, taking advantage of tax breaks; financial education programs, attended by more than 1,000 people; More than 300 deals offering favorable conditions for employees.
- **Well Working:** tools and solutions to help employees work to the best of their ability, from IT equipment to mobility tools (such as shuttles or car sharing), to flexibility tools and special permissions (such as those relating to flexible working).
- **Equal Opportunities:** programs and training to promote inclusion of people with disabilities and LGBT+, to combat gender-based harassment, and to incentivize shared parenting by doubling mandatory paternity leave. In 2024, awareness programs on harassment and bullying (over 90% participation) and equal gender opportunity (31% participation) were delivered. The plan includes a dedicated Steering Committee, a dashboard of KPIs according to PDR:125, a policy on harassment and bullying, and gender equality awareness activities. Furthermore, the Disability Management plan is based on an innovative policy for special equipment.

The company monitors and evaluates the effectiveness of all actions taken through the Climate Survey and the Welfare, Training and Development Survey. To manage the impact TIM provides 9 people and a budget of about €6,000k.

TIM S.A.

TIM S.A.'s **healthcare plan** in 2024 includes several initiatives to promote development and inclusion programs and work-life balance, including:

- **Well+Being program** to improve the well-being of employees and their families.
- **Social Service and Personal Support:** the objective is to provide support in delicate social situations that require acceptance and proper guidance. This service is offered to all employees and their respective legal dependents through social, legal, financial, and psychological guidance, in a confidential and discreet manner, 24 hours a day, seven days a week, via telephone or e-mail.
- **Reconnecting with TIM**: offers a welcome and, if necessary, specific psychosocial support for people returning from maternity leave, as well as mentoring and professional development courses, and support and awareness groups for leaders.

■ To prevent or mitigate the negative impact, "*A working environment that does not provide employees with the 'right to disconnect' results in increased work stress and burnout, with consequences for employee well-being*" the following actions are planned:

Domestic BU

TIM has included measures to promote well-being and work-life balance in the **Agile working agreement.** These measures include "good virtual coexistence" behaviors such as using the "late delivery" option, scheduling meetings around work hours, and managing your schedule well. Disconnection arrangements are based on individual responsibility, with no automatic mechanisms, and during authorized breaks (e.g., lunch breaks) workers are not required to receive or view company communications. This right is further referred to in the individual agreements of workers who have voluntarily joined the flexible working scheme. The company monitors and evaluates the effectiveness through dialogue with the trade union representatives and any legal proceedings. To manage the impact, the company provides: training for employees and managers on the importance of the right to disconnect and stress management techniques; psychological support; for the promotion of company policies that foster respect for the right to disconnect.

TIM S.A.

- "Modo Você" campaign, active throughout the year to encourage offline leisure time and improve employees' health and self-esteem.
- Specific program for pregnant women: program dedicated to pregnant women and extends up to 12 months of the child's life, offering comprehensive support through telemonitoring and providing assistance on any topic related to pregnancy, puerperium and the first year of the child's life, always with a focus on prevention and physical and psychological well-being.

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[38 c, d], [43]: In relation to the positive impact of *"a flexible organizational environment that promotes the well-being of employees and their families, which can generate benefits in terms of work-life balance"*, in the Domestic Area, TIM implements a variety of measures that help employees to better manage family and personal responsibilities, including:

- Agile work, according to current agreements and with specific arrangements for employees with special conditions;
- leaves and permits, according to different personal, family and study needs;
- additional tools for flexibility in the performance of work such as flexible entry for normal staff and management of delays for shift workers.

To manage the impact, TIM has a team dedicated to the implementation and monitoring of labor policies; training programs; Develops and manages the flexible work platform.

- In relation to the positive impact "*Digital Transformation Training and Reskilling Programs Generate New Skills to Support the Jobs of the Future*," in 2024 TIM offered training and reskilling courses by delivering 280,000 hours of digital transformation training to a cluster of 14,400 employees of major companies in Domestic perimeter[20]. The effectiveness of the training activity is measured through a post-course questionnaire in order to verify content learning. These training programs engaged a team of 11 people, and involved a total expenditure of €1,300k.
- In relation to the positive impact "Employee engagement leads to growth in leadership skills and professional development, improving job satisfaction", in the Domestic area, TIM has implemented several actions, described in paragraph 38 a, the effectiveness of which it monitors and evaluates both through the climate survey, which explores various aspects of the Employee Journey, including work-life balance issues, and through a specific survey of welfare, training and development activities. To manage the impact TIM employed a team of 9 people and a budget of about €6,000 k.

[40 a]: In relation to the material risks identified for the Group's own workforce, below are the actions taken or planned to mitigate or prevent the material effects on the Group's own workforce.

- Regarding the risk of *"Phenomena of human rights violations in the company and along the supply chain that may lead to legal liability and consequent reputational damage,"* the TIM Group implements monitoring actions so that policies, procedures and regulations, as well as the values of the Code of Ethics and Conduct, are respected. Reporting systems through the whistleblowing portal and sanctions for violations are provided. Since 2020, a policy for handling incidents of gender, sexual, and bullying harassment has been in place, including a dedicated channel in the Whistleblowing portal, a harassment committee in the Human Resources Department, and support tools for victims such as the psychological service, legal assistance, and the Person of Trust scheme.
- Regarding the risk *"Unauthorized access to personal data of customers or employees may result in legal liability, regulatory sanctions, economic-financial and reputational damage,"* the TIM Group has implemented security policies and procedures to protect employees' personal data, preventing unauthorized access and unlawful processing. In the Domestic area, the relevant business departments, such as the Chief IT Group Office and the Chief Public Affairs, Security and International Business Office, are responsible for implementing preventive and corrective measures to mitigate cyber threats. The company has a specific procedure for handling data breaches in accordance with the GDPR. The control system on privacy compliance includes periodic self-assessments, spot checks, and second-level checks planned by the Compliance Department in collaboration with the Data Protection Officer (DPO).
- Regarding the risk *"Gender inequalities in terms of pay and positions of responsibility and non-transparent career paths can have consequences on the attraction and retention of talent"*, the TIM Group oversees the development of career paths through: retention plans aimed at retaining their employees and reducing turnover; specific tools such as replacement boards, which plan and manage the future of key positions within the organization.

[40 b]: Related to the relevant opportunities identified for the Group's own workforce below are the actions taken or planned to strengthen the effects on the Group's own workforce.

- To pursue the opportunity *"Flexible and hybrid working models, which can improve employee productivity and well-being, while reducing operating costs"*, in the Domestic area, the Company adopts the flexible working model to improve employee productivity and well-being while reducing operating costs. This approach optimizes work organization, improves work-life balance and employee personal satisfaction, and also helps reduce CO_2 emissions.

To pursue the following opportunities:

- *"The enhancement of employer branding along with the provision of professional refresher programs and talent management strategies can help attract and maintain a highly qualified and diverse workforce".*
- *"The establishment of achievable performance objectives for employees promotes company productivity".*

  TIM creates collective and individual pathways to enhance people's talent and employability. The Human Resources & Organization Department, in collaboration with each person's line manager, establishes growth plans based on assessments to identify areas for improvement. Actions include training, coaching, mentoring, special projects and networking, in line with the company's medium- and long-term strategic goals. Incentive systems include challenging and sustainable goals to improve business productivity.

[20] The persons hired belong to the companies TIM S.P.A., Noovle S.p.A. TI Sparkle S.p.A. Olivetti S.p.A, Telecontact Center S.p.A, Telsy S.p.A., TI Trust Technologies S.R.L., TIM RETAIL, TI San Marino, TIM Sparkle Estero

[41]: TIM ensures that its practices do not cause or contribute to causing significant negative impacts on its workforce, engaging in constant dialogue through corporate climate analyses, monitoring of voluntary participation in flexible working, the presence during delivery of training of modules dedicated to health and safety, as well surveys to glean feedback regarding these.

The Company has not identified any negative impacts on its own workforce deriving from the transition to a greener and more climate-neutral economy.

Metrics and targets

Disclosure Requirement S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[46], [MDR-T, 80 a, b, c, d, e, f, g, h,i]: TIM, in its new Plan 2025-27, has identified the following Group targets:

1. **Leadership position**: % women 35% by 2027
2. **Hiring:** % women 50% by 2027

The "Women in Leadership Position" target is given by the ratio of the total number of women in leadership positions to the total number of leadership positions in the Company and formalized by the Human Resources & Organization functions of the Group Companies. The target includes positions held by executive and non-executive officers (managers and directors).

The "Hiring" target is given by the ratio of total female hires to total hires in the Company. Recruitment refers to both permanent and temporary staff.

Through these long-term targets, the progress of which is monitored periodically, the Group confirmed its commitment to creating a work environment that values skills and merit, ensuring fairness and integrity as fundamental principles for growth.

Targets are expressed as relative objectives with respect to an initial reference point, represented by the base year 2024; they concern the entire TIM Group (for details on the reporting scope, please refer to the BP-1 Disclosure Requirement) and include only own activities.

Intermediate targets are provided for both targets. Specifically, the following values are provided for target 1): 34.5% in 2025; 35% in 2026. Target 2) provides the following values: 49% in 2025; 49.5% in 2026.

The defined targets are consistent with national, European and international sustainable development goals, embodying UN SDG Goal 5, which promotes gender equality and empowerment of all women as a basic human right. Targets are not based on firm scientific data.

In defining the Group's target, own workers were involved through the double materiality process, which identified material impacts, risks and opportunities and helped to outline the plan targets.

The methodology adopted to define target 1) has not changed from the previous year, but the redefinition of the organizational scope following the spin-off operation makes it impossible to compare the data shown in sustainability statements prior to 2024. Instead, target 2) was introduced with the new Plan 2025-2027.

[46], [MDR-T, 80 j]: In 2023, TIM formed the **Gender Equality Steering Committee** to adopt and implement gender equality and monitor the progress of ESG Plan targets. TIM has also obtained Gender Equality Certification (UNI/PdR 125:2022) of the organization's compliance with the gender equality management system. Progress is in line with what was initially planned, and the Company is adopting behaviors and actions that will support the achievement of the target.

[MDR-T, 81 b i, ii]: In addition to the targets set in the business plan, the TIM Group, in order to monitor the effectiveness of policies and actions related to material impacts, risks and opportunities on its own workforce, adopts monitoring processes in accordance with regulations and in line with best practices, based on performance measurement systems. Specifically, the Company:

- with reference to health and safety aspects, monitors progress regarding the number of injuries;
- with reference to aspects concerning the adequacy of wages, the company monitors whether the salary received by all employees is in line with applicable reference parameters;
- with reference to diversity aspects, monitors the gender distribution by occupational and age groups within the corporate population;
- with reference to aspects related to the work-life balance, monitors the percentage of employees entitled to take leave for family reasons and those who have subsequently taken it;
- with reference to aspects related to training and skill development, monitors the percentage of employees who have participated in regular performance and career development reviews and the average number of hours of training given to its employees;
- with reference to aspects related to equal pay, monitors progress on the gender pay gap.

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[47 a, b, c]: The ESG objectives present in the corporate strategic plan are defined through the involvement of relevant functions. Specifically, for the two gender equality targets, the Corporate Communication & Sustainability Department worked jointly with the Human Resources & Organization Department to present them to the CEO.

Targets are monitored periodically, including through the adoption of a digital platform that tracks all ESG data.

Thanks to the monitoring activities and numerous initiatives implemented by the company, a continual improvement in performance can be noted, for the benefit of employees.

Disclosure Requirement S1-6 - Characteristics of the undertaking's employees

[50 a] Employees by gender - TIM Group

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees - at the end of the period (head count)	**n**	**13,181**	**13,643**	**—**	**—**	**26,824**
Employee breakdown by gender - at the end of the period	%	49.14	50.86	—	—	**100.00**
Total employees - period average (head count)	**n**	**13,280**	**13,797**	**—**	**—**	**27,077**
Employee breakdown by gender - period average	%	49.04	50.96	—	—	**100.00**

[50 a] Employees by country

	Total employees at the end of the period	Total employees period average
Italy	17,458	17,683
Brazil	9,123	9,152

[MDR-M, 77 a]: The view of employees by country takes into account only those countries where Group companies have 50 or more employees and account for at least 10% of the Group's total number of employees. Included in "Italy" are: TIM S.p.A., TIM Sparkle Italia, Noovle S.p.A., Olivetti S.p.A., Telecontact Center S.p.A, Telsy S.p.A., TIM Retail S.r.l, TI Trust Technologies, TS Way, QTI S.r.l., Mindicity. In "Brazil" only TIM S.A. is considered.

[50 b] Employees by type of contract and gender - end of period - TIM Group

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees	**n**	**13,181**	**13,643**	**—**	**—**	**26,824**
Permanent employees	n	13,090	13,533	—	—	**26,623**
Fixed-term employees	n	91	110	—	—	**201**
Non-guaranteed hours employees	n	0	0	—	—	**—**

[50 b] Employees by type of contract and gender - period average - TIM Group

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees	**n**	**13,280**	**13,797**	**—**	**—**	**27,077**
Permanent employees	n	13,177	13,721	—	—	**26,899**
Fixed-term employees	n	102	76	—	—	**178**
Non-guaranteed hours employees	n	0	0	—	—	**—**

[50 c] Employee turnover - TIM Group

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees	**n**	**13,181**	**13,643**	**—**	**—**	**26,824**
Employees who have left the company	n	1,357	1,582	—	—	**2,939**
Employee turnover rate	%	10.30	11.60	—	—	**10.96**

[MDR-M, 77 a]: The turnover rate is calculated as the ratio of the number of employees terminated during the reporting year to the total number of employees at the end of the reporting period. Employees who have terminated employment due to retirement, incentive termination, spontaneous resignation, layoff, and death in service are considered.

[50 d i, ii], [MDR-M, 77 a]: Data on employee stocks for TIM S.p.A., Telsy, Telecontact, TI Sparkle, TI Trust Technologies, Olivetti, and Noovle were extracted from the Group's IT systems, while for other Group companies they were provided directly.

Data are expressed in whole heads, do not consider administered employees, and are extracted at the end of the period (2024).

From the company's systems it is possible to directly calculate the average consistencies of permanent and fixed-term employees, as well as the average male/female consistencies at the total level. However, the male/female mix by contract type is not available. Therefore, to calculate the average male/female size by contract type, the male/female proportion of the total was applied to the average fixed-term and permanent size.

[50 e]: Changes in the average number of employees are affected by terminations and hires that occurred during the year. Terminations are mainly linked to spontaneous resignations and to resignations with financial bonuses. The impact of temporary contracts is minimal in the TIM Group and is mainly associated with the management of business volumes regarding TIM Retail stores.

[50 f]: The figure on the number of employees is also shown in Consolidated Financial Statements in the "Detailed Tables - Consolidated Data" section of the report on operations. The figures differs by 63 in the consistency of the head-counts at the end of the period because the number administered is also counted in the financial statement.

For information on NetCo, please refer to the section “Information on NetCo’s Performance”, Disclosure Requirement S1-6 “Characteristics of Company Employees”.

Disclosure Requirement S1-8 Collective bargaining coverage and social dialogue

[60 a] Employees covered by collective agreements - TIM Group

	UOM	2024
Total employees	**n**	**26,824**
Employees covered by collective bargaining agreements[21]	n	26,824
	%	100.00

[MDR-M, 77 a], [60 b]: Within the European Economic Area (EEA), the Group applies specific types of National Collective Bargaining Agreements (CCNL) based on the professional category:

Executive employees: this category is covered by two types of contracts that concern 100% of the executives of the Group's Italian companies.

The same CCNL is applied to Executive personnel In each company, as indicated below:

- National Collective Bargaining Agreement for Executives of Companies Producing Goods and Services (CCNL Industrial Executives), applied to 272 people out of the total number of companies in the perimeter
- National Collective Bargaining Agreement for Executives of sector tertiary, distribution and service companies, applied to 2 people in total

White-collar and middle manager employees: these categories are covered by two types of contracts that concern 100% of the personnel of the Group's Italian companies.

The same CCNL is applied to white collars and middle managers in each company, as indicated below:

- National Collective Bargaining Agreement for personnel employed by companies operating Telecommunication Services (CCNL TLC), which covers 16,089 people in total, including White collars and Middle Managers

[21] All TIM Group employees are covered by specific contractual agreements, depending on the legislation in each country in which it operates.

- National Collective Bargaining Agreement for employees of Tertiary Sector, Distribution and Service companies, which covers 1,095 people in total between White Collars and Middle Managers

[60 c]: The percentage of own employees covered by collective agreements, in Group companies operating outside the EEA, is 100%.

[63 a] Employees covered by employee representatives - TIM companies in EEA countries.

	UOM	2024
Total employees	**n**	**17,458**
Employees covered by employee representatives	n	17,115
	%	98.04

[MDR-M, 77 a]: The total number of employees in the table refers to companies operating in the countries of the European Economic Area with at least 50 employees and representing at least 10% of the total number of employees of the Group. The companies considered are: TIM S.p.A., TIM Sparkle Italia, Noovle S.p.A., Olivetti S.p.A., Telecontact Center S.p.A, Telsy S.p.A., TIM Retail S.r.l, TI Trust Technologies, TS Way, QTI S.r.l., Mindicity.

[63 b]: The Group's companies operating in the European Economic Area have not entered into any agreement with their employees for representation by a European Works Council (CAE), a works council of a European Company (SE) or a works council of a European Cooperative Company (SCE).

[RA 70] Coverage of collective bargaining and social dialogue

	Collective bargaining coverage		**Social dialogue**
Coverage rate	Employees - EEA (for countries with > 50 empl. representing > 10% total employees)	Employees - non-EEA (estimate for regions with >50 empl. representing >10% total employees)	Workplace representation (only EEA) for countries with > 50 empl. representing > 10% total employees)
0-19%	—	—	—
20-39%	—	—	—
40-59%	—	—	—
60-79%	—	—	—
80-100%	Italy	Brazil	Italy

Disclosure requirement S1-9 - Diversity metrics

[66 a] Distribution of employees by gender at Top management level - TIM Group.

		2024				
	UOM	**Women**	**Men**	**Other**	**Not reported**	**Total**
Total employees at Top management level	**n**	**3**	**14**	**—**	**—**	**17**
Gender distribution at senior management level	%	17.65	82.35	—	—	**100.00**

[MDR-M, 77 a]: The TIM group defines **"Top Management"** as people who play a key role in the development of business strategies and who report directly to the Management and Control bodies or to the Group's Chief Executive Officer. Top management is shown on the first page of the company's organizational chart, called "Organizational Macro Chart."

Macro organizational structure as of 12/31/2024

[66 b] Employee distribution by age group - TIM Group

	UOM	2024				
		Women	Men	Other	Not reported	Total
Total employees	**n**	**13,181**	**13,643**	**—**	**—**	**26,824**
Employees under 30 years old	n	995	1,012	—	—	**2,007**
	%	7.55	7.42	—	—	**7.48**
Employees between the ages of 30 and 50	n	7,173	6,135	—	—	**13,308**
	%	54.42	44.97	—	—	**49.61**
Employees over the age of 50	n	5,013	6,496	—	—	**11,509**
	%	38.03	47.61	—	—	**42.91**

[MDR-M, 77 a]: In this table, the percentage of employees by age group is calculated by relating the number of employees by age group and gender to the total number of employees by gender.

[66 b] Percentage distribution of employees by age group - TIM Group

	UOM	2024				
		Women	Men	Other	Not reported	Total
Percentage of employees under 30	%	3.71	3.77	—	—	**7.48**
Percentage of employees between 30 and 50 years old	%	26.74	22.87	—	—	**49.61**
old	%	18.69	24.22	—	—	**42.91**

[MDR-M, 77 a]: This table shows the percentage of employees by age group and gender, out of the total number of employees.

For information on NetCo, please refer to the section "Information on NetCo's Performance", Disclosure Requirement S1-9 "Diversity Metrics ".

Disclosure Requirement S1-10 - Adequate Wages.

[69]: All employees in the TIM Group receive an appropriate salary in line with the relevant national collective bargaining agreements, (see what is stated in Disclosure Requirement S1-8 paragraph 60 a).

[70] Employees who do not receive wages in line with applicable benchmarks.

	%
Italy	0.00
Brazil	0.00

[MDR-M, 77 a]: The country perimeter takes into account only those countries where the company has 50 or more employees representing at least 10% of the Group's total number of employees. Included in "Italy" are: TIM S.p.A., TIM Sparkle Italia, Noovle S.p.A., Olivetti S.p.A., Telecontact Center S.p.A, Telsy S.p.A., TIM Retail S.r.l, TI Trust Technologies, TS Way, QTI S.r.l., Mindicity. In "Brazil" only TIM S.A. is considered.

Disclosure requirement S1-12 - Persons with disabilities.

[79] Employees with disabilities - TIM Group

	UOM	2024
Total employees	**n**	**26,824**
Employees with disabilities	n	995
	%	3.71

[MDR-M, 77 a]: The TIM Group, in classifying employees having "disabilities", aligns itself with the laws of the countries in which it operates.

For Italian companies, employees that come under the categories described in Article 1 of Law 68 of March 12, 1999 'Rules for the right to work of people with disabilities' are considered as having 'disabilities'.

More generally, the "condition of disability" as per the provisions of Legislative Decree 62/2024 is defined as "a lasting physical, mental, intellectual, neurodevelopmental or sensory impairment that, in interaction with barriers of a different nature, may hinder full and effective participation in different life contexts on the basis of equality with others".

In Brazil, federal law defines a person with a disability if he or she has a permanent and irreversible impairment of a physical, or hearing, or visual or intellectual/mental, or multiple nature, or an infirmity recognized by the health welfare service. When it interacts with one or more barriers, this deficit hinders its full and effective participation in society on a par with others. The process of classifying a person as a "PCD" (Person with Disability) also involves a detailed medical evaluation. First, the health department reviews the person's International Classification of Diseases (CID), a system used to classify diseases and health conditions. The assessment then confirms whether the individual has a disability that falls within the casuistry of the above law, ensuring the permanence and irreversibility of the deficit.

Disclosure requirement S1-13 - Training and skill development metrics

[83 a] Training and skills development by gender - TIM Group

		2024				
	UOM	Women	Men	Other	Not reported	Total
Employees that participated in regular performance and career development reviews	n	10,434	10,264	—	—	**20,698**
	%	38.90	38.26	—	—	**77.16**

[MDR-M, 77 a]: The percentage of employees who have participated in periodic performance and career development reviews is given by the ratio of the number of employees who have participated in such reviews to the total number of employees in the Group, by gender and at total, set forth in Disclosure Requirement S1-6 "Characteristics of the undertaking's employees."

[83 b] Hours of training by gender - TIM Group

		2024				
	UOM	Women	Men	Other	Not reported	Total
Total training hours	**h**	**482,628.26**	**396,292.78**	**—**	**—**	**878,921.04**
Average hours of training per employee	h	36.62	29.05	—	—	**32.77**

[MDR-M, 77 a]: Average hours of training are the result of the ratio of the total number of training hours offered and completed by employees by gender in the reporting year to the total number of Group employees by gender as of 12/31/2024, as per Disclosure Requirement S1-6 "Characteristics of the undertaking's employees."

Disclosure Requirement S1-14 - Health and Safety Metrics

[88 a] Workers covered by the health and safety management system - TIM Group

		2024		
	UOM	Employees	Non-employees	Total
Own workers covered by the health and safety management system	n	26,634	—	**26,634**
	%	99.29	—	**99.29**

[MDR-M, 77 a]: The percentage of workers covered by the health and safety management system refers to the total own workforce.

.[88 b] Fatalities from work-related injuries and illnesses - TIM Group

		2024			
	UOM	Employees	Non-employees	Other workers	Total
Fatalities from work-related injuries and illnesses	n	0	—	—	**0**

It should be noted that in Brazil, in 2024, there was a death of a worker in the TIM S.A. value chain in the course of carrying out some technical activities pertaining to company assets.

[88 c] Recordable Workplace Injuries - TIM Group

	UOM	2024 Employees	Non-employees	Total
Recordable work-related accidents	n	25	—	**25**
Rate of recordable work-related accidents	%	0.6	—	**0.6**

[MDR-M, 77 a]: The number of recordable occupational injuries corresponds to the recorded injuries that resulted in at least one day off work. The figure does not include injuries caused by passive accidents.

The work injury rate is calculated as the ratio of the number of recorded work injuries to the total hours worked in the year (given by the sum of hours worked, overtime hours, training hours and travel hours), which is 39,850,276, multiplied by 1,000,000.

[88 d, e] Cases and days lost due to occupational injuries, accidents and deaths - TIM Group

	UOM	2024
Recordable cases of work-related illness	n	0
Work days lost due to work-related injuries and fatalities due to work-related injuries and illnesses and fatalities due to illnesses	n	367

[MDR-M, 77 a]: Days lost due to injury do not consider days not worked for commuting accidents, unless transportation was arranged by the Company, or for injuries caused by passive accidents. In the case of an injury with absences spanning two reporting years, the injury is recorded in the year in which it occurs, while the days of absence are counted in the year in which they are actually used.

For information on NetCo, please refer to the section “Information on NetCo’s Performance”, Disclosure Requirement S1-14 “Health and Safety Metrics”.

Disclosure requirement S1-15 - Work-life balance metrics

[93 a] Employees entitled to family-related leave - TIM Group

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees	**n**	**13,181**	**13,643**	**—**	**—**	**26,824**
Employees entitled to take family-related leave	n	13,181	13,643	—	—	**26,824**
	%	100.00	100.00	—	—	**100.00**

[93 b] Employees who have taken family-related leave - TIM Group

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees	**n**	**13,181**	**13,643**	**—**	**—**	**26,824**
Employees who have taken family leave	n	2,020	1,083	—	—	**3,103**
	%	15.33	7.94	—	—	**11.56**

[MDR-M, 77 a]: The data in the table refer to the number of employees who took family-related leave at least once during the reporting year.

[94]: All Group employees are entitled to family leave as provided for in the applicable collective bargaining agreements (for collective bargaining coverage see ESRS Disclosure Requirement S1-8 "Collective Bargaining Coverage and Social Dialogue").

Disclosure requirement S1-16 - Remuneration metrics (pay gap and total remuneration)

[97 a], [MDR-M, 77 a]: The TIM Group has a **gender pay gap between men and women of 24.41%**, of which 19.8% at the Domestic level.

These figures are influenced by the strong concentration of women in the Customer Care sector (about 80% of Caring operators are women), where there is the highest incidence of the lowest job classifications than in other functions of the Group, in view of the tasks performed.

TIM S.A takes into account gender representation at the professional and geographical levels in its reports.

The gender pay gap, net of the Customer Care sector is 18.6% at the Group level, while at the Domestic level it drops to 13.6%.

TIM S.A, moreover, in its report measures a Gender Pay Gap of 1.8 percent, which weights in Brazil the female representation on professional profiles with very low pay and the wage disparity that is recorded at the level of states/regions of the federation.

The calculation of the pay gap is in line with the methodology stipulated in the CSRD regulations.

[97 b, c]: At the Group level, the ratio of the annual total remuneration of the highest paid person to the median annual total remuneration of all employees is 92.86.

In the calculation of the ratio, fixed and variable remuneration are considered (the latter at the target value, as official company kpi summaries are not yet available), and non-monetary benefits (mixed-use car, life insurance, meal vouchers), which represent an absolutely minor part of remuneration, in the order of a few percentage points, are not considered. Variable compensation concerns the entire company population in the form of managerial (MBO, Management by Objectives), commercial (PIV, Sales Incentive Plans) and collective (PdR, Results Bonus) incentives, as well as specific collective incentive tools (Canvass) for specific professional positions, usually in contact with Customers. The calculation of the median value of remuneration at the Group level was approximated through a calculation algorithm that considers the weighted average over the number of employees of the median values of each Group Company.

Disclosure Requirement S1-17 - Incidents, complaints and severe human rights impacts

[MDR-M, 77 a], [103 a, b, c, d]: During 2024, the TIM Group through the Whistleblowing channel received 43 total reports regarding Human Rights, of which 30 were related to discrimination/harassment aspects and 13 related to other issues.

With respect to the 30 reports of discrimination/harassment incidents, 3 were substantiated, 1 partially substantiated, 4 unfounded, 6 inconclusive, 7 inadmissible, 6 closed as unassessable, and 3 with further investigation in progress. Corrective actions put in place by the company resulted in 7 layoffs, one disciplinary action and 3 pieces of feedback.

Of the 13 reports attributable to other issues, 9 were found to be unsubstantiated, 2 inconclusive, and 2 with ongoing investigations.

The TIM Group did not pay fines or penalties for compensation for damages resulting from complaints and incidents related to episodes of harassment and human rights' violations.

It is specified that in order to track reports of discrimination cases, the TIM Group refers to the definition given in the ESRS.

[104 a, b]: During 2024, the TIM Group did not record any reports regarding serious human rights violations related to its workforce, which can be traced to the cases listed in the ESRS.

Workers in the value chain [ESRS S2]

S2-Strategy

Disclosure Requirement SBM-2 - Interests and views of stakeholders

[S2 SBM-2, 9]: In defining its business strategy, workers in the value chain could be materially impacted by TIM regarding policies and certifications to be adopted and obtained. To avoid this, the Group interfaces with workers in the value chain, including through the Open-es platform, to ensure that its business model is in line with the needs of relevant stakeholders.

Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

[S2 SBM-3, 10 a, b], [S2 SBM-3, 11]: In the double materiality analysis, the TIM Group considered all potentially impacted workers, both internal and in the value chain. Impacts arise from the business model and corporate strategy. TIM uses a complex supply chain that includes network operators, ICT service providers, manufacturing companies, and outsourcing partners. This pattern affects working conditions, safety, and human rights, especially in countries at risk of fundamental rights violations.

The assessment of social impacts in the value chain guides TIM's strategic decisions toward a sustainable business model, while also managing reputational risks arising from inadequate management of working conditions in suppliers.

[S2 SBM-3, 11 a, i, ii, iii]: Within the value chain, the TIM Group considers as relevant in terms of impact mainly the workers upstream of the supply chain, that is the employees of the suppliers that offer the TIM Group products and services, such as network services (Fibercop), components for telecommunications and devices, or programming services, as material in terms of impact. Within the offices of the TIM Group, it is expected that there will be workers who are not part of their own workforce, such as workers in technical assistance services companies, and providers of professional services (such as, for example, consulting firms).

With regard to workers downstream of the value chain, the TIM Group mainly considers the workers of the companies that offer TIM logistics services, distributors and dealers, as well as the workers of companies that build and manage plants for customers.

There are workers who carry out operations as part of joint ventures with the Group. For example, in Italy, TIM is involved in a joint venture with TimFin S.p.A. and with the National Strategic Hub.

[S2 SBM-3, 11 a v], [S2 SBM-3, 11 c, d], [S2 SBM-3, 12]: The double materiality analysis highlighted a single negative impact in relation to workers in the value chain:

- *"Insufficient safety measures, lack of training and inadequate protective equipment can cause accidents at work, injuries and damage to the health of employees and workers in the supply chain".*

The negative impact is generalized in nature, not being related to a specific incident encountered.

That said, generally speaking, among the value chain workers most likely to be negatively impacted may be women, young people, people with disabilities and supplier workers in at-risk geographic areas (Asia, Central and South America, North Africa and Eastern Europe).

Finally, the double materiality analysis showed no material positive impacts in relation to workers in the value chain.

[S2 SBM-3, 11 b, e], [S2 SBM-3, 13]: The double materiality analysis revealed the following risk:

- *"Phenomena of violation of human rights in the company and along the supply chain may result in legal liability and consequent reputational damage";*

The risk may involve specific groups of workers who work for suppliers operating in ESG-risk geographic areas such as Asia, Central and South America, North Africa, and Eastern Europe. In particular, the risk in these areas could involve child labor, forced labor or bonded labor.

For this reason, in so-called "ESG risk" areas, these suppliers are administered an ESG qualification questionnaire at the time of registration to check the company's compliance with certain standards, including respect for human rights.

Finally, the double materiality analysis showed no opportunities in relation to workers in the value chain.

S2-Impact, risk and opportunity management

Disclosure requirement S2-1 - Policies related to value chain workers

[16], [MDR-P, 65 a]: The aspects of the IROs that emerged as material from the double materiality assessment of the topic "Workers in the value chain" are covered in the "Human Rights Policy", in the "Product and Service Procurement Policy" and in the "TIM Health and Safety Policy". All policies link to the following material impact and risk:

Negative impact

- *"Insufficient safety measures, lack of training and inadequate protective equipment can cause accidents at work, injuries and damage to the health of employees and workers in the supply chain"*

Risk

- *"Human rights violations within the company and along the supply chain may result in legal liability and consequent reputational damage"*

The "Human Rights Policy"aims to make respect for Human Rights an essential requirement in carrying out the Group's activities and also concerns third parties who enter into relationships with the company.

The Policy identifies Human Rights that may be influenced, directly or indirectly, by Group activities, including fundamental Human Rights (e.g., working hours, fair wages, minimum working age, workplace conditions) rights concerning health and safety, rights to protect diversity and discrimination.

In relation to the IROs material to the topic "Workers in the Value Chain", the protection of rights also concerns the human resources of Suppliers.

The policy also sets out the processes through which the company undertakes to respect human rights. Specifically, all activities within the scope of the policy are subject to periodic internal due diligence inspired by the Guiding Principles of the United Nations Global Compact, which aims to:

- identify and map the human rights risks arising from the Group's operational activities;
- confirm that each topic is governed by a specific internal regulatory framework (for example, policies, procedures), is monitored and tracked (where possible through appropriate indicators) and has had the related responsibilities assigned to it;
- establish a gradual improvement strategy which, beginning with simple compliance with local laws, steers human rights policies and processes towards engagement with the relevant stakeholders, through appropriate initiatives designed to engage them.

The "**Product and Service Procurement Policy**" defines the objectives and general principles of the TIM Group's purchasing process and the related regulatory, contractual and control guidelines, as well as the procurement commitments in terms of environmental and social responsibility.

With reference to the IROs material for "Workers in the value chain", the policy ensures compliance, throughout the supply chain, with the Group's ethical and sustainability values at all times, requiring a similar formal commitment from suppliers and promoting, through the latter (and any subcontractors), respect for lawfulness, human rights and the rights of the person, environmental sustainability, health and safety at work and the provisions of TIM's Anti-Corruption Management System.

To this end, supply contracts provide for TIM and TIM Group Companies to have the possibility to carry out controls and audits on suppliers and their performance, in compliance with the current regulatory and procedural framework.

The "**Health and Safety Policy**", drafted in accordance with UNI EN ISO 45001 provisions, aims to:

- foster the reduction of accidents, occupational diseases and other accidental events, through the implementation of appropriate prevention and control measures;
- ensure full compliance with legal requirements and mandatory safety requirements on the design, construction and management of buildings;
- guarantee the best living conditions for working environments and services for people;
- assess risks to the safety and health of workers, with a view to gradually eliminating these or reducing them to a minimum through the adoption of best practices.

In relation to the IROs material for the topic "Workers in the value chain", the document also sets out TIM's commitment to promoting a careful selection and management of contractors and suppliers, with the support of other responsible business functions, also concerning the adoption of best health and safety standards, promoting engagement with contractors and suppliers for the exchange and dissemination of good practices.

To contextualize the Group's policies in the Brazilian business dimension, TIM S.A. has also defined three additional policies related to the topic "Workers in the value chain" that concern:

- "**Supplier Relations**", in which it requires from its suppliers, including subcontractors, and encourages respect for the principles relating to child and forced labor, health and safety, freedom of association, discrimination and harassment, disciplinary procedures, enhancement of diversity, working hours and salaries.
- The "**Social Responsibility Policy**", in which TIM S.A. confirms its commitments to national and international standards and principles to defend human rights, decent work practices, protect the environment and combat corruption.
- The "**Health and Safety in the Workplace**" Policy applied to all TIM Group facilities in Brazil, including the TIM Institute, which establishes guidelines and principles to be applied in all activities, with the aim of promoting the continuous improvement of working conditions. The policy includes key commitments also aimed at workers of service providers in relation; to the prevention of accidents at work and protection of health; to compliance with legal and other requirements of the organization; to continuous improvement of the management system, with the aim of increasing safety and health performance.

[16], [MDR-P, 65 b]: The "**Human Rights Policy**" and the "**TIM Health and Safety Policy**" apply to all people in the TIM Group, extending the commitment to the TIM Group's activities and related value chain.

The "**Product and Service Procurement**" Policy is valid for all Group Companies and is directly applicable to purchases made by the Procurement Department and functions who make purchases.

[16], [MDR-P, 65 c]: The implementation of the Human Rights Policy is ensured by the first levels of the main relevant business functions, including: the Sustainability Function, which is responsible for updating the contents of the Policy; the Human Resources Department, responsible for complying with the Policy with respect to TIM's people, the Procurement Department, responsible for complying with the policy in relation to the involvement of the Group's suppliers; the Compliance department oversees the risk of non-compliance with applicable regulations.
The implementation of the 'Product and Service Procurement Policy' is guaranteed by the Procurement Function in all its branches and responsibilities; by the Chief Financial Office function that ensures, at the Group level, the oversight of financial, administrative and economic-management processes; by the Legal and Tax function that ensures, at the Group level, legal protection, corporate compliance and the application of the governance model, as well as the definition of tax policies.

The adoption of the 'TIM Health and Safety Policy' is guaranteed by the Health, Safety & Environment department, which ensures the monitoring of issues relating to prevention, safety and health for workers, and by the Real Estate department, which is responsible for implementing compulsory occupational health and safety measures in company buildings.

[16], [MDR-P, 65 d]: The main international references guiding the drafting of the Human Rights Policy are:

- UN Universal Declaration of Human Rights, 1948
- UN International Covenant on Civil and Political Rights, 1976
- UN International Covenant on Economic, Social and Cultural Rights, 1976
- UN Human Rights Council, Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, A/HRC/17/31, 2011
- International Labor Organization, Declaration on Fundamental Principles and Rights at Work, 1998
- OECD, Guidelines for Multinational Enterprises, 2011
- For the 'Product and Service Procurement' Policy, the external references are:
- Italian Legislative Decree 231/01 of 8 June 2001 - Regulations governing the administrative responsibility of legal persons, companies and associations with no legal status. (DC-2018-00498)
- Italian Legislative Decree 196/2003 - Data Protection Law. Data Protection Law (DC-2018-00069) and the Regulation (EU) 2016/679 General Data Protection Regulation (so-called. 'GDPR'), (DC-2018-00235)
- Presidential Decree 313/2002 Consolidated text of the legislative and regulatory provisions on criminal records, the register of administrative sanctions imposed due to a crime and related pending charges. (DC-2018-00559)
- Italian Legislative Decree 81/2008 - Consolidated Law on the protection of health and safety in the workplace and subsequent amendments. (DC-2018- 00556)
- Italian Legislative Decree 152/2006 'Consolidated Law on the Environment', as amended (DC-2018-00377)
- Consob Resolution no. 17221 of Mar 12, 2010 - Regulation containing provisions on related party transactions (DC-2018-00468)
- Italian Law no. 262 of December 28, 2005 - 'Provisions for the protection of savings and the regulation of financial markets' (DC-2018-00585). With regard to the Product and Service Procurement Policy, TIM operates within the framework of the Joint Audit Cooperation — JAC initiative (http://jac-initiative.com) of which the Group is a founding member. (1) JAC is a collective of telecommunications companies that aim to promote safe and fair working conditions, as well as responsible business, social and environmental management.

The Health and Safety Policy is inspired by the international standard ISO 45001 on occupational health and safety management systems.

[16], [MDR-P, 65 e]: Group Policies always consider aspects that have emerged as priorities following discussions with management and with the company's main external stakeholders and have a strong influence on business activities and processes.

[16], [MDR-P, 65 f]: To ensure the contents of the Policies are shared, the TIM Group makes documents available to its stakeholders on its corporate intranet and on the Group's company website **www.gruppotim.it** , in compliance with "least privilege" and "need to know" principles. Where appropriate, for relations with third parties, specific contractual clauses will be added relating to the acceptance and/or compliance with some of the policies, such as the Code of Ethics and Conduct.

Information on TIM S.A.'s policies, on the other hand, can be found on its institutional website **https://ri.tim.com.br/en** in the dedicated "Regulations and Policies" section.

[17 a, b]: The TIM Group describes its human rights policy commitments in the Human Rights Policy, also with reference to workers in the value chain, referring to their fundamental Human Rights such as working hours, fair salaries, minimum working age, workplace conditions, accessibility to people with disabilities, protecting maternity, prohibiting harassment, forced/compulsory/bonded labor.

[18]: In its Policy on human rights, TIM explicitly condemns any form of forced or bonded labor, as well as any form of exploitation of children and young people, specifying also that people under 18 years of age are not employed.

[19]: The Human Rights Policy is in line with the principles promoted in the United Nations Global Compact, of which TIM is a member. Specifically, this Policy is in line with the United Nations guiding principles on business and human rights, with the ILO declaration on fundamental principles and rights at work and with the OECD guidelines for multinational enterprises.

Disclosure Requirement S2-2 - Processes for engaging with value chain workers about impacts

[22 a, b, c, e]: As part of its activities, the TIM Group considers the views of workers in the value chain to guide its decisions and activities. The Company mainly indirectly involves such supply chain workers through consultation, dialogue, information and collaboration activities throughout the year. Specifically, involvement occurs:

- in the supplier qualification stage, with the collection of information and data and the request to sign the Code of Ethics and Conduct and the request for 45001 (occupational health and safety management system) certification or equivalent;
- during the double materiality analysis to define the impacts, risks and opportunities material to the company. In 2024, TIM involved 1,282 suppliers in the stakeholder engagement process;
- on an ongoing basis throughout the year by offering training and participation in ESG events through the Open-es platform, an open cross-industry ecosystem that engages companies in a common path of growth on sustainability performance.

TIM Group's policies, commitments, and strategies on stakeholder engagement, including value chain workers, are overseen at the executive level by the Corporate Communication & Sustainability Department and the Procurement & Logistics Department with regard to the path of improving the ESG performance of value chain workers through participation in Open-es.

The TIM Group assesses the effectiveness of worker involvement in the value chain by ensuring the participation of its supply chain in the double relevance analysis. In addition, the company monitors the registration of its suppliers on the Open-es platform, on which there is an increase of more than 5% year-on-year. Registered suppliers are involved in training and engagement activities for the adoption of tools to improve ESG performance.

[22 d]: The TIM Group is committed to upholding Human Rights beyond its own operations, aiming to be a proactive leader in initiatives and networks regarding Human Rights locally and internationally. the Company with respect to the value chain of the countries in which it operates, aims to prevent any form of abuse through:

- the respect, support and promotion of all internationally recognized Human Rights, even in the absence of national laws and regulations;
- the encouragement of partners to become advocates for Human Rights;
- the provision of whistleblowing mechanisms to report violations.

The Group is a founder and active participant of the local Global Compact networks in Italy and Brazil, and the Joint Alliance for CSR, the alliance promoted among ICT companies that aims to raise Human Rights standards within the supply chain.

In Brazil, TIM S.A. supports and encourages its partners to endorse the Universal Declaration of Human Rights and international conventions on civil, political, economic, social and cultural rights, as well as the policies of the International Labor Organization (ILO), the United Nations Human Rights Council, the Organization for Economic Cooperation and Development (OECD) and ISO 26000.

[23]: The TIM Group, in order to better understand the views of its own and value chain workers who may be vulnerable to impacts or marginalized, is actively involved in cross-company associations aimed at developing diversity-friendly strategies and best practices

For example, TIM is among the founding members of "**Parks - Free and Equal**," an association that promotes Diversity Management as a source of value and competitive advantage, exclusively dedicated to employers created to help member companies achieve an inclusive culture through training, organizational consulting, research, events and networking.

TIM also supports "**Valore D**", an association of companies in Italy that since 2009 has been a pioneer in the field of gender equity and the culture of inclusion, with a network that includes companies of different sizes and sectors, committed to creating more inclusive work environments.

Finally, TIM is a Platinum partner of the "**4 Weeks for Inclusion**" (4W4I) initiative, an alliance of 400 partners who alternate in a series of webinars and events focused on the enhancement of diversity and inclusion.

Disclosure Requirement S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

[27 a]: TIM Group, where it has caused or contributed to a material adverse impact on workers in the value chain such as in the case of possible workplace accidents, acts in accordance with the OECD Guidelines for Multinational Enterprises; with the United Nations Guiding Principles on Business and Human Rights; with the principles established by the eight core conventions of the International Labor Organization (ILO) on fundamental principles and rights at work; with the International Bill of Human Rights, including workers' rights. Through a subsequent direct or indirect discussion with workers in the value chain, it evaluates and monitors the effectiveness of the implemented remedy.

[27 b, c, d], [28]: In order for workers in the value chain to communicate their concerns or needs directly to the company and receive assistance on the matter, the TIM Group has equipped itself with the "Whistleblowing" channel **(https://portalesegnalazioni.telecomitalia.it/)** that can be accessed from the institutional website of TIM and Subsidiaries (where activated). The portal, in accordance with the relevant policy, ensures the confidentiality of the whistleblower's identity through the use of secure protocols and encryption tools. After entering information, the Portal provides a Unique Identifier Code, which can then be used to check the processing status and to send and receive communications (even anonymously). Alternatively, the following contacts are available:

- toll-free at 800664411;
- by standard mail to the Supervisory Body of TIM or the TIM Group company concerned, addressed to the company's registered office. Anyone who receives a report, in any form (written or oral), must forward it within 7 days of receipt to the Supervisory Body concerned, including through TIM's Audit Function, guaranteeing absolute confidentiality.

TIM Group then monitors reports from the Whistleblowing channel and conducts, periodically monitoring activities through measurement systems that consider particular performance indicators.

In Brazil, TIM S.A. has its own telephone reporting channel (at 0800 900 8007), operating 24 hours a day, 7 days a week. Full information is available at the link: **www.tim.com.br/sp/canal-de-denuncias**. In addition, TIM's supply and service contracts include a specific clause in which the "contracting party" (suppliers and business partners) acknowledges TIM's Whistleblowing Channel and how it can be accessed, committing to use it if needed.

In TIM S.A., the Whistleblowing channel is managed by the Audit Department, which reports directly to the Board of Directors. Complaints are submitted during regular meetings of the Legal Review Committee (CAE) and the Control and Risk Committee (CCR).

The TIM Group monitors value chain workers' awareness of reporting channels by monitoring views and consultations. The effectiveness of the channel is also assessed annually through independent evaluations and monitored with key performance indicators such as the number of complaints received and the percentage of new suppliers adhering to the Code of Ethics and Conduct. In 2024, 31 reports were received through the whistleblowing channel and 100% of the newly qualified suppliers in Italy signed the behavioral principles. of the Group's Code of Ethics and Conduct.

The Whistleblowing process ensures that the identity of the whistleblower remains confidential, to protect the whistleblower from retaliation, except when there is a law or court decision to the contrary. Suspicion of retaliation against the whistleblower may also be investigated.

Disclosure requirement S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

[31], [MDR-A, 68 a,b,c], [MDR-A, 69 a, b, c, e], [32 a, b, c, d]: The TIM Group deploys actions and resources related to workers in the value chain, differentially in the Italian territory and in the Brazilian territory with respect to the following issues:

1. **Working conditions: health and safety;**
2. **Other work-related rights: forced labor, child labor.**

All actions are continuous, they are dedicated to workers in the value chain and have the goal of achieving continuous improvement of processes and the well-being of workers.

1. Working conditions

The actions described below in terms of health and safety mitigate the following negative impact inferred from the double materiality analysis "Insufficient safety measures, lack of training and inadequate protective equipment, which can cause accidents at work, injuries and damage to the health of employees and workers in the supply chain".

Actions are implemented periodically and continuously, with the understanding that the Company aims to minimize risks and ensure a healthy work environment for both employees and external workers. Activities are inspired by best practices and refer to national and international standards (ISO 45001).

The Group monitors and evaluates the effectiveness of actions taken through constant engagement with its suppliers, with whom it ensures that prevention and information measures are adopted and observed.

Domestic BU

The Company deploys a series of control measures to eliminate or contain risks in the workplace.

All suppliers of products and services are registered in an internal register that requires prior qualification and periodic checks to ensure competence and quality. In thecontractual agreements governing relations with supplier companies, clauses are then included that make it mandatory to adopt specific workplace safety protocols.

Health and safety training programs are provided, and the use of advanced protective equipment is required in the performance of activities. In Italy, there is mandatory training for activities in confined or suspected polluted environments. Providers must demonstrate that they have acquired the necessary information to minimize the likelihood of accidents. Although the contracts do not provide specific training hours, sharing of tools and best practices for network contractors and office maintenance contractors are promoted.

Annually, monitoring campaigns for worker health and safety are carried out, with surveys of noise, electromagnetic fields, radiation, vibration and microclimate parameters, and the chemical and biological substances used are also checked. The commitment extends to network and sole proprietorships, which must comply with occupational medicine regulations.

Finally, periodic inspections of workplaces are conducted to ascertain compliance with applicable regulations. In 2024, audits were conducted on temporary construction sites with the support of an external certification company, which will continue in 2025.

TIM S.A.

The company identifies hazards and risks related to activities and products and services, considering the life cycle, through direct observations, document analysis, occupational health and safety (OSH) inspections and audits. Activities with potentially hazardous risks are carried out by qualified professionals, and in any case, according to occupational risk management analyses, no unsanitary conditions were found. Risk management programs are carried out by health, safety and environmental experts, providing input for control measures that reduce risks and ensure a healthy work environment.

For non-employee workers, the occupational safety system is directly implemented by supplier companies, based on the guidelines in the ‘Regulatory Standard NR-05’.

2. Other work-related rights: forced labor, child labor

Domestic BU

The company puts in place controls and/or audits to ensure that the human rights of workers in the value chain are respected, in particular that people under 18 years of age are not employed, unless different legal limits are set in individual countries and in any case in compliance with relevant European policies. In any case, minors under the age of 18 should not be employed in hazardous work or during night hours.

Moreover, at companies in Italy, no activity is at risk of episodes of forced labor. TIM complies with regulations in all countries where it operates and adopts a Human Rights policy to prevent violations, following UN guidelines.

The following actions have been taken:

- **ESG assessment questionnaire at the qualification stage** for suppliers at risk (by geographic area, commodity group, economic impact) that requires a number of certifications including:
  - Ethical-Social Management System or SA8000
  - ISO 45001 "Occupational health and safety management systems."
  - ISO 37001 "Management Systems for the Prevention of Corruption."
  - ISO 30415 (Diversity & Inclusion)
  - programs or organization, management and control models suitable to prevent bribery
  - confidential procedure for reporting behavior that does not comply with the principles of the Code of Ethics

  In 2024, out of a total of 217 qualified suppliers, about 18% are undergoing ESG assessment.
- **Audit with the Joint Alliance for Corporate Social Responsibility**. This alliance, which promotes cooperation among companies in the ICT sector, and of which TIM is one of the founding members, was created with the aim of improving the quality of audit and review practices. Each year, in accordance with the JAC, TIM plans at least five audits, to be conducted on-site, or on-desk and outsourced, involving possible suppliers at risk (by geographic area, commodity group, economic impact). The areas analyzed concern child labor; forced labor; health and safety; freedom of association; discrimination; disciplinary practices; working hours; wages and compensation; environment; business ethics. In 2024, 11 Audits were conducted.

TIM S.A.

The company evaluates suppliers according to Brazilian labor laws, consulting the databases of the "Business Pact for Integrity and Against Corruption" and the "Brazilian National Pact for the Elimination of Forced Labor." Suppliers who do not comply with labor laws may not provide services or products to the company. In addition, TIM does not hire suppliers at risk of child labor.

[31], [MDR-A, 68 d]: The TIM Group, in case of material adverse impacts on workers in the value chain, acts in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. This includes respect for the principles and rights set forth in the eight core conventions of the International Labor Organization and the International Bill of Human Rights.

[33 a, b, c]: To mitigate the detected negative impact on the health and safety of value chain workers, the TIM group takes an integrated and proactive approach that focuses on:

- **social due diligence:** analysis of impacts on workers (including workers' rights, occupational safety and health), working conditions, human rights protection and compliance with international standards);
- **supplier qualification and selection**: strict procedures with a focus on ISO 45001 certification and adherence to the TIM Code of Ethics;
- **continuous monitoring**: audits and field checks to ensure compliance with TIM standards and international regulations;
- **capacity building and engagement:** training and awareness-raising initiatives for suppliers, promotion of best practices related to health, safety and workers' rights, and participation in sector and cross-sector collaborations;
- **corrective actions and improvement plans**: development of improvement plans with suppliers to address significant issues and, if necessary, initiation of corrective actions, including change of supplier.

To report any security incidents or violations, TIM provides a process for receiving reports through the Supervisory Board of TIM or the Group company concerned, supported by the Audit Function. Within 7 days of receipt, an acknowledgement is given, and within 3 months, feedback is provided on the follow-up to the report.

TIM also ensures that processes to remedy negative impacts are available and effective by communicating them through the supplier portal and institutional website.

[34 a]: To mitigate the risk related to possible human rights violations in the company and along the supply chain, TIM adopts internal policies, procedures and regulations to ensure compliance with the Code of Ethics and Conduct. There are reporting and sanction systems for violations, accessible through the Whistleblowing portal. For suppliers in ESG risk areas, TIM conducts audits and requires specific certifications during qualification.

[35]: The TIM Group adopts a number of practices in order to avoid causing or contributing to causing material negative health and safety impacts on workers in the value chain. These include TIM's request to its suppliers to adopt the principles outlined in the Health and Safety Policy, the provision of criteria for selecting suppliers based on health and safety requirements and further initiatives detailed in section MDR-A 68 a-e.

[36]: In 2024, the TIM Group received no reports of serious human rights problems and incidents along the value chain.

[38]: In order to manage the material impacts that may affect workers in the value chain, the Group makes available resources from the Procurement, Audit, Legal, Health, Safety & Environment departments and the Supervisory Body, for the areas under their responsibility.

S2-Metrics and targets

Disclosure Requirement S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[41], [MDR-T, 81 b i, ii]: To monitor the effectiveness of policies and actions related to the impacts, risks and opportunities of workers in the value chain, TIM adopts the following monitoring processes, consistent with standards and best practices, and performance indicators:

- **Health and safety**: Monitoring of suppliers' compliance with Group procedures and policies.
- **Human rights**: Monitoring the number of reported incidents involving workers in the value chain.

Affected communities [ESRS S3]

S3-Strategy

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[S3 SBM-2, 7]: In setting its business strategy, TIM takes into account the opinions, interests and rights of the affected communities by implementing numerous initiatives and projects to promote their welfare and development. Through these moments of sharing, the Group also has a way to gather needs to develop and improve future initiatives. In addition, regarding indigenous peoples, TIM S.A. preliminarily consults these communities to identify their legitimate expectations before making investments in their areas.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

[**S3 SBM-3, 8], [S3 SBM-3, 9 a,b,c,d], [S3 SBM-3, 10], [S3 SBM-3, 11]**: Asa leading telecommunications operator, TIM plays a key role in the country's digital infrastructure, with direct impacts on local communities through improved access to connectivity and digital services.

From the analysis conducted, there were no material negative impacts, risks or opportunities for the company related to the affected communities, while the following positive impact was identified:

- *"Projects that promote social inclusion, including through cultural and artistic programs, can help spread awareness in the community and in the new generations."*

This impact is an expression of the projects that The TIM Group deploys to strengthen its role in the social context, including in the cultural and artistic spheres. Through innovative technologies and services, TIM facilitates the connection and activities of the community and the younger generation, contributing to the inclusive growth of society. Examples of cultural and arts programs include collaboration with IDMO to counter misinformation and facilitate the dissemination of best practices in the use of digital media, and collaborations with OPGE to foster training and education in digital citizenship, such as the "Technology - Digital literacy" program.

In conducting the double materiality analysis, the TIM Group took into account all the interested communities that may suffer material impacts from the company, including those directly related to its own operations and the value chain, including through products or services and business relationships. It also includes entities, regions and central institutions that operate in the reference territory, in Italy and Brazil.

The activities that the TIM Group implements to improve the quality of life of the reference community and to raise its awareness of issues of social inclusion, by their nature, impact the entire reference community without a specific geographical location or proximity to the company's headquarters.

S3-Impact, risk and opportunity management

Disclosure requirement S3-1 - Policies related to affected communities

[14], [MDR-P, 65 a]: The aspects of the IROs that emerged as significant from the double materiality assessment for the topic 'affected communities' are covered in the "**Code of Ethics and Conduct of the TIM Group**" and in the "**Human Rights Policy**". Both policies are linked to the following positive impact:

- *Projects that promote social inclusion, including through cultural and artistic programs, can help spread awareness in the community and in the new generations.*

The **"Code of Ethics and Conduct"** guides TIM's actions in carrying out its business, in the belief that a common vision of ethics in the daily conduct of business is the essential prerequisite for responsible and sustainable growth. Specifically, the document includes:

- the distinguishing values of the Group's culture;
- the rules of ethical behavior for people in the Group and the guidelines for the conduct to be pursued in dealings with third parties;
- the objectives and good practices relating to sustainability and social responsibility, in order to conduct business activities in a way that safeguards the various aspects of the environmental, social and governance-related affairs of the Group;
- the methods of complying with the Code through the description of the commitment of corporate boards and management teams, as well as the approach to managing violations, whistleblowing, and the methods of disseminating and adopting of the document.

In relation to the IRO material for the topic 'Affected Communities', the TIM document underscores its commitment to:

- supporting the economic wellbeing and development of the communities where it operate by providing quality services and introducing technologies to ensure an effective and sustainable digital transition
- responding to the community's needs, with particular attention paid to the needs of the most vulnerable groups, compatible with the objectives of economically efficient management.

The **“Human Rights Policy”**aims to make respect for Human Rights an essential requirement in carrying out the Group’s activities and also concerns third parties who enter into relationships with the company.

The Policy identifies Human Rights that may be influenced, directly or indirectly, by our activities, including fundamental Human Rights (e.g., working hours, fair wages, minimum working age, workplace conditions) rights concerning health and safety, rights protecting diversity and discrimination, rights agreed with unions, also including a number of personal rights related to our core business, such as the rights to access telecommunications services and innovation (e.g., digital, social and geographical inclusion). In relation to the IRO material for the topic “Affected Communities”, protection includes the rights of communities where TIM carries out its activities, with particular attention paid to vulnerable groups of people, such as the rights of children and young people to be protected from bullying or harassment and the rights to freedom of expression, supported by access to telecommunication technology.

The policy also sets out the processes through which the company undertakes to respect human rights. Specifically, all activities within the scope of the policy are subject to periodic internal due diligence inspired by the Guiding Principles of the United Nations Global Compact , which aims to:

- identify and map the human rights risks arising from the Group's operational activities;
- confirm that each topic is governed by a specific internal regulatory framework (for example, policies or procedures), is monitored and tracked (where possible through appropriate indicators) and has had the related responsibilities assigned to it;
- establish a gradual improvement strategy which, beginning with simple compliance with local laws, steers human rights policies and processes towards engagement with the relevant stakeholders, through appropriate initiatives designed to engage them.

[14], [MDR-P, 65 b]: The Code of Ethics and Conduct applies to all people in the Group, with particular reference to the members of the corporate bodies, management, employees of all Group Companies, external collaborators, and, where required by the company's procedural system, to third parties in business relationships with the Group. The Human Rights Policy covers all people in the TIM Group and aims to protect all third parties who enter into business relationships with the company, including affected communities.

[14], [MDR-P, 65 c]: The adoption of the Code of Ethics and Conduct was decided by resolution of the TIM Board of Directors on March 15, 2023. A periodic review of the Code is also ensured to implement any necessary updates.

The implementation of the Human Rights Policy is ensured by the first levels of the main relevant business functions, including: The Sustainability Function, which is responsible for updating the policy; the Human Resources Department, responsible for complying with the Policy with respect to TIM's people, the Procurement Department, responsible for complying with the policy in relation to the involvement of the Group's suppliers; the Compliance department oversees the risk of non-compliance with applicable regulations.

[14], [MDR-P, 65 d]: The Code of Ethics and Conduct is in line with the principles of the United Nations Global Compact with which TIM complies.

As far as the Human Rights Policy is concerned, the key third-party references used to draft his document are as follows:

- UN Universal Declaration of Human Rights, 1948
- UN International Covenant on Civil and Political Rights, 1976
- UN International Covenant on Economic, Social and Cultural Rights, 1976
- UN Human Rights Council, Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework, A/HRC/17/31, 2011
- UN High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, Implementing the United Nations “Protect, Respect and Remedy” Framework, 2011
- UN Global Compact Office and Office of the United Nations High Commissioner for Human Rights, A Guide for Business: How to Develop a Human Rights Policy (2011 e 2015)
- UNICEF and The Danish Institute for Human Rights, Children’s Rights in Impact Assessments, December 2013
- International Labor Organization, Declaration on Fundamental Principles and Rights at Work, 1998
- International Labor Organization, Conventions 1, 29, 30, 87, 98, 100, 105, 111, 135, 138, 144, 155, 161, 171, 175, 182, 183
- International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social policy
- Amnesty International — Italian chapter, Universal Declaration of Human Rights
- CSR Europe Assessing the effectiveness of company grievance mechanisms, 2013
- European Commission, ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights, 2013
- OECD, Guidelines for Multinational Enterprises, 2011
- Charter for Equal Opportunities and Equality at Work, signed by Telecom Italia in 2010.

[14], [MDR-P, 65 e]: Group Policies always consider aspects that have emerged as priorities following discussions with management and with the company’s main external stakeholders and have a strong influence on business activities and processes.

[14], [MDR-P, 65 f]: To ensure the contents of the Policies are shared, the TIM Group makes documents available to its stakeholders on its corporate intranet and on the Group's company website, in compliance with "least privilege" and "need to know" principles. Where appropriate, for relations with third parties, specific contractual clauses will be added relating to the acceptance and/or compliance with some of the policies, such as the Code of Ethics.

[15]: TIM has not identified material impacts related to indigenous peoples; therefore, it does not provide disclosure on specific provisions relating to policies intended to prevent and manage such impacts.

[16 a]: The TIM Group describes its commitments regarding human rights policy, including community rights, in its Human Rights Policy (with reference to the latter, as referred to ESRS S1-1 20 a). This Policy is for all the Group's stakeholders and is in line with the principles promoted in the United Nations Global Compact, which TIM endorses. Specifically, this policy is in line with the United Nations guiding principles on business and human rights, with the ILO declaration on fundamental principles and rights at work and with the OECD guidelines for multinational enterprises.

[16 b]: In Italy, TIM engages with its reference communities through: intraoperative work panels; participation in working groups organized by trade associations such as ASSTEL, Anitec-Assinform, Confindustria Digitale Federation; collaboration with public and local bodies; the organization of and/or participation in meetings and events in the area. At European level, TIM is also a member of the "Large Scale Partnership" with the objective, thanks to its digital skills, of encouraging the development and implementation of innovative solutions on a large scale for individuals and businesses for the purposes of the digital transition (for more details on engagement channels, see the disclosure requirement ESRS2 -SBM2).

In Brazil, TIM S.A. steers its engagement actions on the basis of the principles defined in the "Engagement Policy" in which it defines, among other things, the communication and engagement channels for its reference communities.

[17]: The Human Rights Policy is in line with the principles promoted in the United Nations Global Compact, which TIM endorses. The same policy is in line with the United Nations guiding principles on business and human rights and the OECD guidelines for multinational enterprises (with reference to the latter, as referred to ESRS S1-1 20 a). Although the Policy does not contain specific references to compliance with internationally recognized standards for indigenous peoples, the TIM Group conducts its activities in compliance with all applicable human rights standards, regardless of ethnic, religious, gender and other aspects that may characterize the communities concerned, ensuring consistency with the provisions of the United Nations and the Global Compact, in its capacity as an endorsing member. Lastly, it should be noted that TIM has not reported cases of non-compliance with the guiding principles inspiring the Policy.

Disclosure Requirement S3-2 - Processes for engaging with affected communities about impacts

[21 a, b]: The TIM Group guides its decisions and activities by directly involving affected communities through regular consultations, dialogues, information, and collaboration. For example, in 2024, to promote the importance of culture in environmental sustainability, TIM launched the "Mission Environment - Generations at School for Sustainability" project in collaboration with ERG, fostering dialogue between school and company. It also produced the podcast "Equality Can't Wait" to discuss issues of social inclusion, gender equality, and the role of women in society and the world of work.

The TIM Group periodically involves affected communities in varying times and ways depending on the activity. For example, for the double materiality analysis, stakeholders are involved at the beginning of the process through e-mail, while for the 4 Weeks 4 Inclusion project, involvement occurs annually through video calls and e-mail exchanges.

Policies and strategies for stakeholder engagement, including local communities, are overseen at the executive level by the Chief Public Affairs, Security & International Business Office, the Chief Human Resources & Organization Office, the Corporate Communication & Sustainability Office, as well as the TIM Foundation in Italy and the Instituto TIM in Brazil which fund and support community projects.

The TIM Group evaluates the effectiveness of involving affected communities in various ways, depending on the current activity. In the case of double materiality assessment, for example, it monitors it with the active participation of stakeholders in answering the questionnaire. In the case of other projects, however, it monitors community participation and their propensity for involvement through questionnaires.

[22]: In order to better understand the points of view of affected communities, TIM adopts an inclusive approach in listening to and involving communities, with particular attention paid to groups that may be more vulnerable, such as women and young people. When designing social responsibility initiatives and digital inclusion programs for local areas, the company partners associations and non-governmental organizations that work closely with these groups, including, for example, the Onda Foundation. The collaboration focuses on participation and support in projects to prevent and combat violence against women, with a particular focus on education for non-violence. This synergistic approach aims to promote female empowerment, especially among younger women, while promoting a greater collective awareness of the importance of counteracting all forms of discrimination.

[23]: TIM S.A's social responsibility policy is committed to contributing to the economic well-being and growth of local communities, including traditional communities, indigenous peoples and quilombolas, through the provision of efficient services and advanced technologies. In addition, TIM S.A. preliminarily consults these communities to identify their legitimate expectations before making investments in their areas. Finally, it supports socio-environmental actions in the communities where it operates through sponsorships and institutional support.

Disclosure Requirement S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

[31], [MDR-A, 68 a, b, c, e], [MDR-A, 69 a, b, c]: As part of its activities, the TIM Group deploys actions and resources that promote social inclusion, including through cultural and artistic programs, which help to foster an awareness in the community and in the new generations and confirm the TIM Group's commitment to supporting innovative activities with a social impact. Most projects, especially those involving partnerships with other bodies and companies, are repeated annually in order to give continuity to the positive impact the Group has on communities. For each project, the Group hopes to increase participation and make an increasingly material positive impact.

Due to the corporate discontinuity that occurred on July 1, 2024, it is also not possible to provide comparative information on the activities compared to those of previous years.

Domestic BU

- **Women Plus:** The program is focused on the empowerment and professional development of women inside and outside the company. The initiative is based on:
  - engagement with representatives of the local community (women's associations, schools, universities) to promote the meeting between talents and opportunities in the area.
  - Awareness-raising and Sharing: communication projects dedicated to breaking gender stereotypes, promoting positive messages and success stories.

  By constantly listening to the needs of communities and through the involvement of stakeholders, Women Plus helps to create an environment in which the values of equal opportunities are effectively protected and pursued.

  The initiative is monitored by looking at the final data on app downloads, which totaled 15,000 downloads at December 31, 2024. The financial resources used amounted to: OpEx: €2,491k, future OpEx: €200k.
- **"Equality Can't Wait" podcast**: is a TIM project that addresses gender equality and is part of the Women Empowerment initiatives. The episodes, 4 released in 2024 and 2 coming in 2025, are based on true stories, include exciting interviews and useful data to promote a culture of equality. Produced by Storie Libere, the podcast was previewed for TIM Group employees on the TIM Academy internal training platform and then made available on major podcasting platforms. As of December 31, 2024, it recorded 3,900 external views and 5,338 internal views. The financial resources used in 2024 were €24,875k, with a future budget of €10k.
- **ITS Maria Gaetana Agnesi**: TIM is among the founding partners of the Maria Gaetana Agnesi Higher Technological Institute, with the goal of training new generations of digital professionals. The ITS, hosted at the TIM Academy in Rome, offers specialized training paths for young graduates in strategic areas such as Data Analysis and Artificial Intelligence.
- **Italian Digital Media Observatory (IDMO):** TIM, is a partner in the second edition of IDMO, the Italian hub of the EDMO Consortium, which is committed to countering misinformation on the Web and educating young people to recognize trustworthy content. In the first edition of the project, which ended in the first quarter of 2024, e-learning courses were produced and webinars delivered on digital literacy, privacy, information disorder and content creation, which reached 18,000 participations among students and teachers from 60 educational institutions.
- **Technology Digital Literacy Project with OPGE**: the project, born in 2019 from the collaboration between TIM and the Permanent Youth-Editor Observatory, aims to foster digital literacy among the younger generation. Aimed at secondary schools enrolled in the "Newspaper in the Classroom" initiative, the project combines media literacy and digital literacy to help students develop critical awareness and digital skills needed to properly use digital tools. The financial resources included CapEx of €480k.
- **Distretto Italia:** TIM is a partner in Distretto Italia, a program of the ELIS Consortium established in 2023 to bridge the gap between the demand for technical profiles and youth training. Supported by more than 50 companies, the project offers free orientation and training activities throughout the country in cooperation with schools, training centers and universities. TIM promotes the program through its communication channels: social, website and intranet.
- **Mission Environment - Generations at sustainability school**: the project was realized in 2024 through a collaboration between TIM and ERG to spread the culture of sustainability in schools through intergenerational dialogue. Organizing partner was ELIS, a nonprofit educational organization. The project is recognized by the Ministry of Education and Merit as a Pathway for Transversal Skills and Orientation (PCTO) for third and fourth grade secondary school classes. The financial resources used in 2024 amounted to €34.8k.
- **Vivere Il Prossimo:** the call launched by the TIM Foundation focuses on social inclusion, supporting projects that help families with people with disabilities, particularly minors, in their social, relational, and employment needs. More than 300 applications were received from all over Italy. The grant was awarded €113,503k to the "Bread and More" project of the Opera Sacra Famiglia Foundation and €113,121k to the "Caregiver fatigue - disability and oncological poverty in Taranto" project of the Soleterre Foundation.
- **Vivere l'Arte:** the TIM Foundation's call for proposals focuses on innovative visitor routes and tools in cultural institutions, museums, galleries, collections, monuments and archaeological areas. With more than 300 applications received from all over Italy, the call was awarded €130k to the "Galileo Live Museum" project (Galileo Museum in Florence), €147,276k to the "Vittoriale da vivere" project (Il Vittoriale degli Italiani Foundation), and €214,520k to the "Vivere il design" project (ADI Compasso d'Oro Foundation).

- **Vivere il Talento:** the TIM Foundation's call for proposals concerns the field of scientific research and education and is dedicated to discovering and promoting steering solutions to prevent the phenomenon of NEET. The project was very successful, receiving more than 300 applications from all over Italy, with winning participants located throughout the country, and saw the award of €159.22k for the project by Federico II University of Naples 'Talento in gioco' ('Talent at play').

The company has prepared additional initiatives with the aim of producing positive impacts for affected communities:

- **Accelerating Sustainability in Telecoms (AST)**: a collaboration between Connect Europe (association of European telco operators) and Uni Europa ICT, (European ICT union association), aimed at understanding the impact of new digital technologies on skills and the labor market. The goal is to identify best practices and business cases of telecom operators and disseminate them through Policy Guidelines translated into 5 languages.
- **4 Weeks 4 Inclusion**: conceived by TIM, this is a four-week interagency program with events, webinars and workshops dedicated to diversity and inclusion. Aimed at TIM people and the public, the program addresses topics such as gender equality, inclusion of people with disabilities, multiculturalism, and sexual orientation. Promotes dialogue and exchange of best practices, creating a network of businesses and organizations committed to supporting local communities and preparing new generations for a more inclusive future.
- **Fondazione Onda:** TIM and Fondazione Onda work together to combat violence against women by promoting a culture of nonviolence through social and digital projects that address the needs of women, particularly younger women, and vulnerable communities, with the aim of fostering women's empowerment and raising collective awareness against all forms of discrimination.
- **42 ROMA Luiss**: TIM is a strategic partner of 42 ROMA Luiss, a free coding school based on the French Ecole 42 model. The innovative teaching program is based on peer-to-peer learning and coopetition, without lecturers. Launched in 2021, the partnership involves TIM organizing workshops and internships for students, while LUISS launches calls for ideas on topics of interest to TIM.
- **Career Days and Company visits:** In 2024, TIM participated in the Career Days and Job Fair of major Italian universities, with a focus on STEM events. It also organized a company visit for female students from the Turin Polytechnic University at the Customer Innovation Center, where they attended demos on TIM's new technology products.

TIM S.A.

- **Bateria do Instituto TIM (Drum Group)**: inclusive initiative in Rio de Janeiro organized by Instituto Tim that offers music education to children, youth, and adults, with and without disabilities, to promote inclusion and develop musical skills. The program involved 250 participants, including 56% with disabilities and 30% living in favelas, producing 56 performances.
- **Exponential Education:** the project implemented by Instituto TIM and the NGO One By One, offers a technology literacy and digital entrepreneurship course to socially vulnerable people with and without disabilities. It involved 82 participants in 2024 and generally contributes to the digital inclusion of nearly 100 people a year.
- **Edital Fortalecendo Redes:** the initiative strengthens non-governmental organizations in the Gerando Falcões network, which are active in the areas of culture, sports, leisure and education. The project aims to support organizations working with children, adolescents and youth in socially vulnerable situations by promoting their human development. The goal is to help about 9,000 people.

All activities conducted by Instituto TIM during 2024 had an OpEx equal to €446k.

[32 d]: The Group monitors the effectiveness of actions taken through people's participation and to the results achieved. For example, in the case of Distretto Italia, 37 courses were held during 2024 and 421 people were trained, with a placement rate of 96.8%; while in the case of the Technology Digital Literacy project with OPGE, the 2024/2025 edition has 3,003 enrolled classes, with 353 trainers and 78,078 students.

[36]: As part of the proposed initiatives, no serious human rights problems and incidents were reported during 2024 in relation to affected communities.

[38]: In order to manage the positive impact related to the affected communities, the Group: employs economic resources to finance projects and partnerships, and internal human resources to ensure their proper execution; provides information dissemination through channels inside and outside the company.

S3- Metrics and targets

Disclosure Requirement S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[41], [MDR-T, 81 b i, ii]: To monitor the effectiveness of policies and actions related to the impacts, risks and opportunities of affected communities, TIM adopts the following monitoring processes, which comply with standards and best practices and performance indicators:

- with reference to community social inclusion aspects, the Group monitors the number of initiatives involving institutes, schools and research organizations;
- with reference to aspects related to the production of positive impacts for the community, the Group monitors the satisfaction of the participants in the proposed initiatives through the satisfaction questionnaires that it administers at the end of each activity or project carried out.

Consumers and end-users [ESRS S4]

S4-Strategy

Disclosure Requirement SBM-2 – Interests and views of stakeholders

[S4 SBM-2, 8]: In setting its business strategy, TIM considers the interests, opinions and rights of consumers and/or end users as a priority. Feedback and active involvement of consumers and the organizations that represent them in various capacities are used to monitor the level of satisfaction and response to new offerings or projects and initiatives launched, guiding the company's future actions.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

[S4 SBM-3, 9 d], [S4 SBM-3, 10 a]: The TIM Group, as a leading operator in telecommunications and digital services, recognizes that impacts on consumers and end users arise directly from its business model and guide strategic decisions. Network reliability, data protection, and cybersecurity, as well as the deployment of new technologies (5G, cloud computing, IoT, AI) are essential to ensure a safe and quality user experience and to improve consumers' lives, but they require careful management of potential impacts, such as technological obsolescence and the risk of misinformation.

From a risk perspective, TIM considers, for example, possible cyber attacks or privacy breaches that could undermine consumer confidence and lead to regulatory sanctions. Precisely for this reason, the Company constantly invests in resilient infrastructure, data protection, and digital education initiatives to raise users' awareness of the conscious use of technology

The impacts, risks and opportunities that emerged from the **double materiality analysis for consumers and end users,** related to own operations and the value chain, show how:

- the types of end users considered are: customers who purchase TIM products and services and interact directly with the Company; consumers, i.e., end users who use the acquired products/services;
- No material risks have been identified with regard to the use of products that may harm the health of consumers and end users;
- Consumers and/or end users of TIM services may be exposed to negative impacts in relation to privacy rights and the possible violation of personal data;
- All those considered end users need accurate and accessible information on products or services for conscious use and transparent business practices that can promote informed choices.
- Among the end users of the TIM Group, minors may be among those who are particularly vulnerable to privacy impacts.

[S4 SBM-3, 10 b]: Compared to the **three material negative impacts** that emerged from the double materiality analysis, two appear to be general in nature, namely:

- *"Digital illiteracy widens socio-economic gaps and does not allow full customer participation in the economy".*
- *"The inability of the company or supply chain to conduct a responsible business, which responds to ethical social demands and transparent business practices, may limit competition and consumers' informed choices".*

The negative impact associated with the individual non-material incidents recorded during 2024, on the other hand, appears to be as follows:

- *"Potential cybersecurity threats may involve the leak of sensitive customer and/or employee data".*

[S4 SBM-3, 10 c]: The TIM Group, through the offerings of voice and internet services and products managed and developed in fixed and mobile, the offerings of connectivity services and products and ICT solutions, the offering of international voice, data and internet services, generates the following **three material positive impacts** on consumers who can be individuals, families, small and medium-sized businesses, or large national and international companies:

- *"The adoption of digital technologies in business processes can improve the quality of service to customers and the ability to manage unexpected events that may interfere with the continuity of the service";*
- *"The expansion in the offering of technologies and digital access (for example, PEC, digital signature, SPID) can lead to more inclusive connectivity for consumers";*
- *"Connectivity solutions that use digital technologies such as IoT, Big Data and AI ensure better data traffic planning for the benefit of customers".*

[S4 SBM-3, 10 d]: The double materiality analysis found the following **eight material risks** from impacts on consumers and/or end users:

- *"Cyber attacks and sabotage to physical infrastructure can cause an interruption in the operational continuity of services, causing a deterioration in economic and financial performance and reputational damage";*
- *"Unauthorized access to the personal data of customers or employees can result in legal liability, regulatory sanctions, economic and financial damage and reputational damage";*

- *“Risks related to online security, such as cybercrime, cyberbullying and inappropriate content can result in legal liability, economic and financial losses and damage to reputation”;*
- *“The spread of pandemics or the occurrence of geopolitical conflicts can lead to potential shortages in the supply of goods and services and price increases, with consequences on the continuity of business activities and on the company’s economic-financial flows”;*
- *“Failure to implement digital inclusion actions aimed at the accessibility and continuity of the services offered may result in customer dissatisfaction, potential sanctions and economic and financial losses”;*
- *“Potential legal liabilities and financial sanctions deriving from antitrust investigations (e.g. incorrect business practices) can damage corporate reputation, with consequences on the company’s economic and financial flows”;*
- *“The lack of technological transformation of legacy infrastructures and platforms can reduce the quality of service offered to customers and increase the vulnerability of systems, with consequences on business reputation”;*
- *“Failure to achieve coverage objectives may limit the offering of high-speed connectivity, with consequences on the customer experience and on economic-financial flows”.*

Instead, below are the **three material opportunities** arising from impacts on consumers and/or end users:

- *“Personalized and transparent offerings and seamless connectivity improve the customer experience, encouraging customer loyalty with consequences on the company’s economic and financial flows”;*
- *“The acceleration of fiber roll-out and 5G can promote digital transformation and the enablement of new services and applications, contributing to greater customer satisfaction and the consolidation of market leadership”;*
- *“The development of new business models that use advanced digital technologies (e.g. 5G, AI) can improve the company’s operational efficiency, with consequences on economic-financial flows and benefits for consumers”.*

[S4 SBM-3, 11], [S4 SBM-3, 12]: The main types of consumers and/or end users negatively affected by the material impacts of the TIM Group include weaker customer groups with lower levels of literacy, such as children, the elderly and people who are not aware of IT risks, in particular for privacy and cybersecurity.

On the occasion of the double materiality analysis, the materiality of the impacts on the part of the category of customer stakeholders was evaluated, being able to identify the impacts that negatively influence them and the risks associated with them.

The material opportunities identified, on the other hand, concern all types of customer and consumer as they relate to the potential offered to the dissemination of new technologies and the use of digital services.

S4-Impact, risk and opportunity management

Disclosure requirement S4-1 - Policies related to consumers and end users

[15], [MDR-P, 65 a]: The aspects of the IROs that emerged as significant from the double materiality assessment for the topic “**Consumers and End-Users**” are covered in the “**Human Rights Policy**”, the “**Code of Ethics and Conduct**”, the “**Information Security Policy**”, the “**System of rules for the application of personal data protection regulations**” and the “**Services Charter**”. All documents are linked to the following material impacts, risks and opportunities that emerged from the double materiality assessment:

Negative impacts

- *"Digital illiteracy widens socio-economic gaps and does not allow full customer participation in the economy"*
- *"Potential cybersecurity threats may involve the leak of sensitive customer and/or employee data";*
- *"The inability of the company or supply chain to conduct a responsible business, which responds to ethical social demands and transparent business practices, may limit competition and consumers’ informed choices".*

Positive impacts

- *"Connectivity solutions that use digital technologies such as IoT, Big Data and AI ensure better data traffic planning for the benefit of customers";*
- *"The adoption of digital technologies in business processes can improve the quality of service to customers and the ability to manage unexpected events that may interfere with the continuity of the service";*
- *"The expansion in the offering of technologies and digital access (for example, PEC, digital signature, SPID) can lead to more inclusive connectivity for consumers".*

Risks

- *"The lack of technological transformation of legacy infrastructures and platforms can reduce the quality of service offered to customers and increase the vulnerability of systems, with consequences on business reputation";*

- *"Failure to achieve coverage objectives may limit the offering of high-speed connectivity, with consequences on the customer experience and on economic-financial flows";*
- *"Failure to implement digital inclusion actions aimed at the accessibility and continuity of the services offered may result in customer dissatisfaction, potential sanctions and economic and financial losses";*
- *"The spread of pandemics or the occurrence of geopolitical conflicts can lead to potential shortages in the supply of goods and services and price increases, with consequences on the continuity of business activities and on the company's economic-financial flows";*
- *"Risks related to online security, such as cybercrime, cyberbullying and inappropriate content can result in legal liability, economic and financial losses and damage to reputation";*
- *"Cyber attacks and sabotage to physical infrastructure can cause an interruption in the operational continuity of services, causing a deterioration in economic and financial performance and reputational damage";*
- *"Unauthorized access to the personal data of customers or employees can result in legal liability, regulatory sanctions, economic and financial damage and reputational damage";*
- *"Potential legal liabilities and financial sanctions deriving from antitrust investigations (e.g. incorrect business practices) can damage corporate reputation, with consequences on the company's economic and financial flows".*

Opportunities

- *"Personalized and transparent offerings and seamless connectivity improve the customer experience, encouraging customer loyalty with consequences on the company's economic and financial flows";*
- *"The development of new business models that use advanced digital technologies (e.g. 5G, AI) can improve the company's operational efficiency, with consequences on economic-financial flows and benefits for consumers";*
- *"The acceleration of fiber roll-out and 5G can promote digital transformation and the enablement of new services and applications, contributing to greater customer satisfaction and the consolidation of market leadership".*

The **Code of Ethics** and **Conduct** guides TIM's actions in carrying out its business, in the belief that a common vision of ethics in the daily conduct of business is the essential prerequisite for responsible and sustainable growth. Specifically, the document includes:

- the distinguishing values of the Group's culture;
- the rules of ethical behavior for people in the Group and the guidelines for the conduct to be pursued in dealings with third parties;
- the objectives and good practices relating to sustainability and social responsibility, in order to conduct business activities in a way that safeguards the various aspects of the environmental, social and governance-related affairs of the Group;
- the methods of complying with the Code through the description of the commitment of corporate boards and management teams, as well as the approach to managing violations, whistleblowing, and the methods of disseminating and adopting of the document.

In relation to the IROs material for the topic "**Consumers and End-Users**", the TIM document underscores its commitment to:

- operating with a view to the excellence of the service offered, with dedication and professionalism, in order to meet the expectations and needs of customers;
- basing contracts on transparency, professional fairness, compliance with sector regulations, and courtesy and collaboration, in line with our commitment to the importance of our customers;
- protecting information generated or acquired within the Company or in the course of business relationships, safeguarding the confidentiality required in conducting business, in compliance with the appropriate regulations.

The "**Human Rights Policy**" aims to make respect for Human Rights an essential requirement in carrying out the Group's activities and also concerns third parties who enter into relationships with the company.

The Policy identifies Human Rights that may be influenced, directly or indirectly, by our activities, including fundamental Human Rights (e.g., working hours, fair wages, minimum working age, workplace conditions) rights concerning health and safety, rights to protect diversity and discrimination, trade unit rights. In relation to IROs material for the topic "Consumers and End-Users", protection includes a number of personal rights related to our core business, such as: rights to access telecommunication services and innovation (for example, digital, social and geographical inclusion) or rights to the needs of the individual in developing services and products; rights to privacy of the Group's customers, as well as to their security; rights potentially violated by value-added services (including services with content reserved for adults and gambling); Customers' rights to responsible advertising.

The policy also sets out the processes through which the company undertakes to respect human rights. Specifically, all activities within the scope of the policy are subject to periodic internal due diligence inspired by the Guiding Principles of the United Nations Global Compact which aims to:

- identify and map the human rights risks arising from the Group's operational activities;
- confirm that each topic is governed by a specific internal regulatory framework (for example, policies, procedures), is monitored and tracked (where possible through appropriate indicators) and has had the related responsibilities assigned to it;
- establish a gradual improvement strategy which, beginning with simple compliance with local laws, steers human rights policies and processes towards engagement with the relevant stakeholders, through appropriate initiatives designed to engage them.

The '**Information Security Policy** focuses on the protection of information and all related assets, as a fundamental element for the protection and continuity of business processes.

The Group undertakes to:

- establish processes, roles and responsibilities to ensure information security;
- guarantee a level of confidentiality, integrity and availability of information proportional to the respective business value, or to the direct or indirect losses that a security incident may have regarding the services provided to customers;
- guarantee the security of services provided to its customers and the levels of business continuity provided for in contracts.

TIM has an Information Security Management System in place that guarantees the governance of specific processes and activities for the security of information assets.

The '**System of rules for the application of personal data protection regulations in the TIM Group**' sets out the norms and operating rules for the Group that govern the processing of personal data, in accordance with applicable legal and regulatory provisions on personal data protection.

The document concerns the processing of personal data of all the company's stakeholders, defining the methods of corporate oversight and related responsibilities, as well as the technical/organizational measures for data protection.

Regarding customers, the document refers to the regulations and procedures to be observed in the processing of their personal data with reference, among other things, to marketing and sales activities, profiling, loyalty, market research, trials, prevention and combating late payments and fraud, as well as to the specific provisions provided for electronic communications (e.g. regarding traffic data and geolocation data, cookies).

Lastly, TIM publishes **the 'Services** Charter', for fixed and mobile phone services, with the aim of establishing a transparent relationship with its customers. The document summarizes the company's main services, terms of service, complaint procedures, service quality standards, and contractual information.

To contextualize the Group's policies in the Brazilian business context, TIM S.A. has set out a '**Privacy Policy**' that defines how the company collects, uses and protects the personal data of its customers, in line with the General Law on the Protection of Personal Data (LGPD), 13709/2018. The policy also states that the company does not allow minors to take out contracts for TIM Products/Services, nor does it process Personal Data of individuals under 18 years of age, in the provision of TIM Services, even if paid for by adults.

The "**Cybersecurity Policy**" is another material policy, which defines guidelines to promote the IT security of telecommunications networks and services and protect the critical telecommunications infrastructures of the Group's companies, in accordance with current legislation, with the aim of preventing and minimizing impacts related to cyberattacks. In its policy, TIM is committed, among other things, to fostering a culture of cyber prevention, to ensuring a prompt response to incidents, and to securely storing the data of employees, suppliers, business partners and customers.

[15], [MDR-P, 65 b]: The Code of Ethics and Conduct applies to all people in the Group, with particular reference to the members of the Corporate Boards, management, employees of all Group Companies, external collaborators, and, where required by the company's procedural system, to third parties in business relationships with the Group.

The Human Rights Policy concerns all the people of the TIM Group and aims to protect all third parties who enter into business relationships with the company.

The Information Security Policy is for all Group functions and companies that, within the scope of their specific responsibilities, operate in various ways using company information and data.

The 'System of rules for the application of personal data protection regulations in the TIM Group' is aimed at all companies in the TIM Group, and in particular their respective internal privacy delegates, who must ensure the correct application of the system by their respective business functions.

Lastly, the '**Services Charter**' is for all TIM fixed network and mobile network customers.

[15], [MDR-P, 65 c]: The adoption of the Code of Conduct was decided by resolution of the TIM Board of Directors on March 15, 2023. A periodic review of the Code is also ensured to implement any necessary updates.

The implementation of the Human Rights Policy is ensured by the first levels of the main relevant business functions, including: The Sustainability Function, which is responsible for updating the policy; the Human Resources Department, responsible for complying with the Policy with respect to TIM's people, the Procurement Department, responsible for complying with the policy in relation to the involvement of the Group's suppliers; the Compliance department oversees the risk of non-compliance with applicable regulations.

The Information Security Policy is approved by the Compliance, Public Affairs, Security & International Business Office and Human Resources & Organization departments, in order to ensure consistency between TIM's strategy and the policy content.

The adoption of the 'System for the application of personal data protection regulations' is ensured, in TIM and in the Group Companies, by internal privacy officers, with necessary support and advice from the Privacy Department (in TIM) and the Privacy Coordinators (in the Group Companies). In fact, the Privacy department is responsible, within the context of the role of TIM's Data Protection Officer (DPO), for steering, coordinating and overseeing the correct application of privacy legislation at Group level; in the Group's companies, this role is held by the Privacy Coordination figure, in conjunction with TIM's DPO.

Lastly, the application of the Services Charter is overseen by the various business functions, that work together to ensure compliance with the service standards described.

[15], [MDR-P, 65 d]: The Code of Ethics and Conduct is in line with the principles of the United Nations Global Compact with which TIM complies.

As far as the Human Rights Policy is concerned, the key third-party references used to draft his document are as follows:

- UN Universal Declaration of Human Rights, 1948
- UN International Covenant on Civil and Political Rights, 1976
- UN International Covenant on Economic, Social and Cultural Rights, 1976
- UN Human Rights Council, Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, A/HRC/17/31, 2011
- UN High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework, 2011
- UN Global Compact Office and Office of the United Nations High Commissioner for Human Rights, A Guide for Business: How to Develop a Human Rights Policy (2011 e 2015)
- UNICEF and The Danish Institute for Human Rights, Children's Rights in Impact Assessments, December 2013
- International Labor Organization, Declaration on Fundamental Principles and Rights at Work, 1998
- International Labor Organization, Conventions 1, 29, 30, 87, 98, 100, 105, 111, 135, 138, 144, 155, 161, 171, 175, 182, 183
- International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social policy
- Amnesty International — Italian chapter, Universal Declaration of Human Rights
- CSR Europe Assessing the effectiveness of company grievance mechanisms, 2013
- European Commission, ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights, 2013
- OECD, Guidelines for Multinational Enterprises, 2011
- Charter for Equal Opportunities and Equality at Work, signed by Telecom Italia in 2010.

For the Information Security Policy, the main external references of the document refer to:

- ISO/IEC 27000:2018 - Information technology - Security techniques - Information security management systems - Overview and vocabulary
- ISO/IEC 27001:2022 - Information security, cybersecurity and privacy protection – Information security management systems - Requirements
- ISO/IEC 27002:2022 - Information security, cybersecurity and privacy protection — Information security controls
- ISO/IEC 27035-1:2023 Information technology - Information security incident management - Part 1: principles and process
- ISO/IEC 27035-2:2023 Information technology - Information security incident management - Part 2: Guidelines to plan and prepare for incident response
- ISO/IEC 27035-3:2020 Information technology – Information security incident management - Part 3: Guidelines for ICT incident response operations.

For the "System of Rules for the application of personal data protection regulations in the TIM Group", the main regulatory references are:

- the General Data Protection Regulation (Regulation (EU) 2016/679, aka the GDPR)
- Personal data protection code (Legislative Decree 196/2003 as amended)
- Data Protection Authority provisions.

Lastly, the TIM Services Charter is drawn up based on the guidelines established by the National Telecoms Regulator (Resolution 179/03/CSP as amended).

[15], [MDR-P, 65 e]: The Group Policies take into account aspects identified as fundamental and priority by analyses conducted internally and with external stakeholders. These aspects are strongly linked to the operations of the TIM Group Companies.

[15], [MDR-P, 65 f]: To ensure the contents of the Policies are shared, the TIM Group makes documents available to its stakeholders on its corporate intranet and on the Group's company website, in compliance with "least privilege" and "need to know" principles. Where appropriate, for relations with third parties, specific contractual clauses will be added relating to the acceptance and/or compliance with some of the policies, such as the Code of Ethics and Conduct.

[16 a]: The TIM Group describes its commitments regarding human rights policy, including the rights of consumers and end-users, in its Human Rights Policy. The Policy, aimed at all the Group's stakeholders and in line with the principles promoted in the United Nations Global Compact, of which TIM is a member, explicitly refers to the United Nations guiding principles on business and human rights, the ILO declaration on fundamental principles and rights at work and the OECD guidelines for multinational enterprises.

[16 b]: In its Human Rights Policy, TIM specifically encourages its stakeholders, including consumers and end-users, to provide feedback on the Policy itself with a view to continuous improvement.

[16 c]: To remedy the impacts on human rights, TIM, through the "**Whistleblowing Procedure**", governs the process of managing reports, referring to Group employees and/or third parties, concerning breaches of laws and regulations of Group Conduct, including potential violations of Human Rights.

[17]: TIM is one of the founders of and active participants in the local networks of Global Compact Italy and Brazil and in the JAC, an initiative in the ICT sector that has the common objective of raising Human Rights standards (social, environmental and ethical) within the supply chain.

In line with principles also promoted in the United Nations Global Compact, TIM has drafted the Human Rights Policy, also referring to consumers and end-users. This policy is in line with:

- the United Nations Guiding Principles on Business and Human Rights;
- the ILO declaration on fundamental principles and rights at work;
- OECD guidelines for multinational enterprises;
- the International Charter of Human Rights.

In the value chain downstream of TIM, no cases of non-compliance with these guiding principles inspiring the policy have been reported. This result reflects the Group's commitment to the promotion and protection of Human Rights, achieved through respect for international standards, a broad interpretation of rights, the involvement of partners, the management of negative impacts and the availability of complaint mechanisms.

The TIM Group explains its policies to its reference stakeholders in compliance with 'least privilege' and 'need to know' principles, through its institutional website, the corporate intranet, the supplier portal, as well as, in some cases, through appropriate reference in contractual clauses to be familiar and/or comply with the Group's policies. To increase the accessibility of the information contained in the policies, the documents are written in Italian, English and Portuguese.

Disclosure Requirement S4-2 -Processes for engaging with consumers and end-users about impacts

[20 a, b]: The company takes into account the expectations and opinions of consumers, in the belief that robust and satisfactory relationships are the only way to guarantee long-term value. The feedback and active involvement of consumers and the organizations that represent them in various capacities are fundamental to guide the company's actions and improve its business strategies. TIM directly confronts the issues most material to its business through the consultation, dialogue, information and collaboration activities that are organized periodically.

Quality and customer experience are monitored by an extensive continuous system of listening to end consumers during all stages of their Customer Journey (from acquisition to possible termination), which is one of the inputs used for defining improvement actions. This system includes, among other things, market insights, customer satisfaction monitoring activities, satisfaction surveys on the occasion of the launch of new products/services.

Another important moment of engagement with consumers is the double materiality analysis, which aims to identify and evaluate the impacts, risks and opportunities material to the company and preparatory to preparing its sustainability report. During this analysis, all classes of stakeholders identified, including end consumers, are involved in a survey where they have to evaluate the impacts of the company's activities on the environment and society. As many as 3,000 consumers were surveyed in 2024.

TIM cooperates with consumer associations to ensure their rights are protected, improve the quality of services offered, and promote information. In 2024, for example, the "Fiber" training course for Consumer Associations was completed to provide an in-depth understanding of the technical characteristics of fiber optics and its advantages over other connection technologies. Also in 2024, a meeting was held with all Consumer Associations to announce and share the logic of the TIM Plan for decommissioning its copper access network.

With respect to Enterprise customers, TIM Enterprise takes a structured approach to directly engaging customers through:

- digital factories for specific business areas (Cloud, IoT, Cybersecurity, Digital Identity), ensuring direct and personalized relationships with customers;

- quarterly surveys conducted by third parties on key touchpoints and processes, using certified metrics such as CSI and NPS to measure satisfaction.

TIM S.A.

TIM S.A. also takes into account consumer expectations and opinions through customer engagement that takes place at different times and in different ways during the year through various channels:

- Multichannel service: App Meu TIM; Virtual assistant; Social media; WhatsApp; Online chat; Call Center: 144* and 1056*; Meu TIM website;
- Ombudsman: a second-instance channel that provides assistance to customers who have already used TIM's service channels;
- Specialized service for the deaf;
- Surveys on experience and satisfaction, such as consumer profiles and habits, the attractiveness of services and products and the image;
- Branding initiatives that aim to bring the Company closer to customers, including actions created as part of major events, such as Rock in Rio.

In addition to the aforementioned channels, another consumer engagement initiative of TIM S.A. involves the establishment of the TIM Users' Council, which aims to bring the company closer to customers and consumer protection associations. The Council promotes social participation in service delivery, contributing to a more engaged society on telecommunications issues. It also provides input for continuous improvement of the customer experience.

[20 c]: Operational responsibility for ensuring the engagement and satisfaction of consumers and end-users and enterprise results lies with the two main business lines such as the Chief Enterprise and Innovative Solutions Office and the Chief Consumer, Small & Medium and Mobile Wholesale Market Office, with support from the Data Analytics, Artificial Intelligence & Customer Insight function within the Chief Strategy & Business Development Directorate.

With regard to double materiality, the TIM Group's policies, commitments and strategies on stakeholder involvement are monitored at executive level by the Corporate Communication & Sustainability Department under the supervision of the Sustainability Committee, which operates at the level of the Board of Directors. In the context of TIM's more institutional initiatives, supervision with consumer associations is overseen by the Customer Protection & Transparency function within the Legal, Regulatory & Tax Department.

In Brazil, TIM S.A.'s Chief Revenue Officer (CRO) and Customer Experience & Ombudsman are dedicated to ensuring that customer engagement takes place. The latter function ensures the definition of strategy, customer experience improvement initiatives, and provides methodological support to business segment lines for conducting market research, monitoring satisfaction indicators, and generating insights to ensure implementation of best practices, as well as actions to develop a Caring for the Customer culture.

[20 d]: The TIM Group evaluates the effectiveness of consumer and/or end-user involvement in the following ways:

Domestic BU

TIM oversees the effectiveness of consumer engagement, quality and customer experience, through an extensive engagement system that detects the customer's journey at the various touch points and allows us to define specific improvement plans to give value to customer feedback. Italian market surveys include the monitoring of the 'Customer Satisfaction Index' based on the ACSI standard (American Customer Satisfaction Index), which was particularly important, measuring the quality perceived by TIM customers and customers of main competitors. In 2024, the CSI value for consumer customers in the Italian perimeter fell slightly compared to 2023 figures. The Small and Medium Business segments, on the other hand, reported an increase, compared to the previous year, in the CSI value, reaching the assigned targets. In addition, TIM Enterprise evaluates the effectiveness of engagement through the continuous monitoring of perceived quality and the creation of personalized SLAs with customers.

TIM S.A.

The company maintains an open dialogue with its customers by means of research and the declarations registered with consumer protection agencies, such as Procons, the website Consumidor.gov.br, the Special Civil Courts and Anatel. In this way, it can constantly evaluate and monitor customer needs.

Regarding surveys to assess customer experience and satisfaction, TIM S.A. has been conducting "Experience" and "Net Promoter Score (NPS)" surveys on its customers and competitors through continuous interviews since June 2017. It also assesses customer satisfaction after contact with the call center. Anatel conducts an annual survey on satisfaction and perceived quality of telecommunication services.

The Company has a team dedicated to monitoring transactional NPS in the mobile and Ultra Fiber segments, which develops plans to improve service experience and satisfaction in collaboration with different business lines.

[21]: To better understand the point of view of consumers and/or end-users, TIM has always maintained relationships with trade associations that also advocate for the most vulnerable. TIM has always been on the consumer protection front to counter particularly aggressive commercial actions and policies or commercially unfair practices.

In Brazil, TIM S.A. offers an accessible online space for people with visual, hearing and speech disabilities, following WCAG and W3C guidelines. Among the resources available, the Libras Center allows customers using Brazilian Sign Language to communicate via video call with a 24/7 specialized intermediary. Starting in 2022, the company will also offer a WCAG-compliant keyboard navigation experience.

Disclosure Requirement S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

[25 a]: In line with the OECD guidelines that require companies to protect human rights, including those of consumers, TIM ensures accessible and fair remedy mechanisms in order to resolve any disputes in an appropriate and transparent manner.

[25 b, c]: The TIM Group makes available to its consumers and/or end-users multiple reporting channels so that they can communicate their concerns or needs and receive assistance.

Within the **Domestic BU** , the following channels are available:

- Whistleblowing Channel;
- Human and non-human Customer Care channels to report malfunctions on the network and/or other services as well as to file commercial and administrative complaints such as: 187 fixed line Customer Service; 119 mobile Customer Service; 119 business Customer Service; the My TIM app (residential customers) and the MyTIM business app (business customers); TIM's commercial site with business and technical support sections and with the possibility of filling out a form to report needs thanks to the virtual assistant Angie (chatbot, also present on the MyTIM APP);
- Social channels (Facebook, Instagram, X, LinkedIn);
- The Group's institutional website **www.gruppotim.it** for reports of behavior or events attributable to cases of abuse in the use of network services offered by Telecom Italia;
- TIM AI Customer Assistant: the artificial intelligence-based virtual assistant, revolutionizes business interactions by offering advanced digital assistance. By analyzing customer data, it can offer tailored answers and solutions, improving the customer experience and increasing customer loyalty.

In Brazil, **TIM S.A.** provides the following specific channels: App Meu TIM; Virtual assistant; Social media; WhatsApp; Online chat; Call Center: 144* and 1056*; the Meu TIM website, the Ombudsman's Office, meetings of the User Council and the Whistleblowing Channel.

[25 d]: The TIM Group through the Customer Care function, in Italy and Brazil, ensures caring activities, addressing and managing the reports raised by end consumers. In particular, this function ensures that the technical and administrative assistance process is properly managed and monitored on an ongoing basis. In this process, end-consumers are involved in satisfaction surveys in which they have the opportunity to give feedback on the level of care they receive.

With reference to IT security, TIM ensures the effectiveness of processes aimed at mitigating risks and negative impacts by measuring the number of incidents occurring on the systems perimeter, employee workstations, public network service nodes and data center infrastructure.

[26]: The TIM Group informs consumers of the channels and processes for expressing concerns and receiving assistance through commercial sites and the corporate site, handling each report in a timely manner and monitoring the effectiveness of reports. The Whistleblowing procedure guarantees anonymity and protection of the identity of the whistleblower, revealed only with express consent and to authorized persons. TIM Enterprise uses digital tools and information activities to inform users on how to report, providing protections against retaliation through secure and confidential mechanisms.

Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

[30], [MDR-A, 68 a,b,c,e], [29 a], [MDR-A, 69 a, b, c]: In relation to the IROs that have emerged from the double materiality analysis regarding "consumers and end users", the Group deploys actions and resources regarding aspects related to the following issues:

1. **Information-related impacts for consumers and/or end-users;**
2. **Personal safety of consumers and/or end-users;**
3. **Social inclusion of consumers and/or end users.**

Actions are targeted at customers both in Italy and in Brazil, and involve internal operations and the value chain, especially in terms of providing technological solutions.

Due to the corporate discontinuity that occurred on July 1, 2024, it is also not possible to provide comparative information on the activities compared to those of previous years.

1. Information-related impacts for consumers and/or end-users

The following describes actions aimed at preventing cyber attacks and sabotage on company systems, which can disrupt business continuity of services and/or cause the leakage or unauthorized access of sensitive customer data.

Domestic BU

TIM ensures the logical security and protection of IT and infrastructure resources through the Cyber Security process, which includes the following activities:

- **ICT Risk Management:** The process focuses on technology assets to ensure Confidentiality, Integrity and Availability (RID) of information. This process identifies security and compliance requirements to reduce the vulnerability of ICT assets, defines security countermeasures validated by technical controls, and verifies their effectiveness. Where necessary, re-entry plans are defined for risk treatment, the results of which are formalized in the ICT Asset Security Plan.
- **Cyber Threat Intelligence (CTI):** the process includes several key steps: the collection of data from various internal and external sources to acquire data on threats or threat actors (TAs) and the techniques they use; threat analysis to identify patterns and trends; the sharing of relevant information within the organization to prepare for countering threats; the implementation of security measures to prevent, detect and respond to attacks (includes the management of Indicators of Compromise (IoC); continuously monitoring and reviewing security strategies to adapt to new threats and improve the effectiveness of defenses.
- **Vulnerability Assessment**: Two main activities are carried out in the field inspection phase, which allows for the verification of the gap between the security requirements of the Security Plan and their implementation in the IT infrastructure: The Vulnerability Assessment and Penetration Test. Vulnerability Assessment is an automated activity that identifies vulnerabilities in IT systems, while Penetration Test is a manual activity performed by experts in ethical hacking to test the resilience of IT infrastructures. The objective is to assess the security level of ICT Assets by identifying vulnerabilities and attack vectors in the operating environment and assessing the risk.

  This activity is integrated into a continuous security cycle and can be performed periodically or after changes to the IT infrastructure. The process includes a monthly scan of exposed resources on the Internet that are considered high risk. Upon completion, the Safety Plan (PDS) is updated with the information gathered, providing a more realistic risk picture.
- **Cyber Security Engineering and operations services**: these activities involve the engineering, development and testing of centralized security solutions that enable the identification, protection, detection and response processes outlined by the National Institute of Standards and Technology (NIST) Cybersecurity Framework. In particular, the activities focus on:
  - data security: identity and access management, authentication, authorization and accounting platforms for business applications, databases and operating systems (e.g. IAM, PAM, 2FA, MOTP);
  - application security: solutions to protect business applications and processes (e.g., key management, web application firewalls, ICT vulnerability and risk management);
  - network and cloud security: platforms to protect the network from external and internal threats (e.g., FW, IPS, IDS, Anti DDoS); platforms for authentication, authorization and network element accounting (AAA) and remote access solutions (VPN, ZTNA);
  - security monitoring and management: platforms for log management, monitoring, analysis and management of security events (e.g. SIEM, Security Log Analytics, Log Management), Risk Management, Cyber Threat Intelligence, Vulnerability Assessment etc.;
  - endpoint security: solutions to protect mobile devices, PCs and servers (e.g. EPP, XDR, Web Proxy, Antispam).

  In addition to these activities are those needed to ensure:
  - efficient, reliable, and secure operation of security platforms and applications, includes delivery, installation, configuration, continuous tuning, performance monitoring, early detection of anomalies, troubleshooting, update management, and end-user support;
  - Digital Identity management, which includes configuration, centralized management and periodic verification of accounts for network and ICT resources, in accordance with applicable regulations and policies (e.g., Legislative Decree 196/03, Resolution 152/02/CONS, Regulation (EU) 2016/679 - GDPR).
- **Security Monitoring and Incident Management:** the activities ensure continuous monitoring of IT infrastructure and business systems to detect suspicious behavior, vulnerabilities, emerging threats, and abnormal activity, using real-time network monitoring tools that collect and analyze useful information, identify intrusions or cyber attacks, and respond in a timely manner. Activities are overseen by the Security Operations Center (SOC), a team of IT security experts who constantly monitor network security, 24/7. In parallel, Incident Management manages and resolves security incidents to minimize damage and prevent recurrence. These processes, which conform to ISO/IEC 27001:2022 and ISO/IEC 27035 standards, are divided into four sub-processes: 1. event identification; 2. classification; 3. analysis and technical management; 4. follow-up. Measures are repeated and continuous throughout the year, preventing cyber security risks and continuously improving processes.

Overall, the annual expenditure for 2024 for Cyber Security activities directly overseen by the corporate function stands, net of those directly addressed by the other technical lines for specific vertical actions, at about €30,000k in CapEx and €10,000k in OpEx.

TIM S.A.

The company seeks to ensure customer cybersecurity by implementing policies, monitoring systems, training employees and adopting advanced technologies to prevent, detect and respond to incidents. Cyber attacks, mapped in the enterprise risk matrix, can cause damage to systems, unavailability of services, and infiltration of malware. Since 2022, the company has been ISO 27001 certified, the international standard for information security management, which attests to how it manages the ICT risks, prevents information leaks and cyber attacks, monitors and responds to security incidents, and implements new cybersecurity solutions. Therefore, we have a committee dedicated to satisfying security controls in internal and external audits of our operations.

The company also monitors and manages “data holders” in addition, to ensure a better experience for customers in handling their personal data. In 2024, more than 600 requests were received from the data holder mainly related to: revocations of consent; Information on data sharing; data deletion request.

2. Personal safety of consumers and/or end-users

Consumer safety is a top priority for the TIM Group. In fact, risks relating to cybercrime, cyberbullying and inappropriate content can affect user security and business reputation. In this regard, the Company responds with:

- Cybersecurity Awareness solutions and programs for safe and responsible browsing;
- collaboration with institutions and public bodies to raise awareness among companies and citizens of digital risks and advanced AI-based Threat Detection systems so as to protect the digital ecosystem;
- solutions and services geared toward the online safety of consumers, including minors that include: child protection tools that can be activated on fixed or mobile connections; security services that protect against cyber attacks such as malware and phishing; parental control functions.

3. Social inclusion of consumers and/or end users

To lead the country’s technological transformation and ensure the social and digital inclusion of families, businesses and institutions, the TIM Group develops and offers affordable services and advanced technology solutions in Connectivity, Cloud, IoT, and Cybersecurity.

For families, TIM offers:

- **connectivity solutions** based on Fixed Wireless Access (FWA) Technology, including with 5G coverage, to provide stable, high-speed Internet access even in areas without physical cabling or underserved by fiber, including rural and suburban settings, supporting the digital inclusion of families;
- **digital identity tools** such as PEC, digital signature and SPID facilitate access to public, health and financial digital services, simplifying use for users with difficulties in providing physical documents or in-person identification, while ensuring greater protection of personal data and security of online transactions;
- **subsidized prices** for customers with disabilities on voice and internet offerings (in compliance with Resolution 290/21/CONS) and for customers with low income on voice offerings (in compliance with Universal Service ex Resolution 258/18/CONS) by extending on our initiative the facilitation also to internet offerings.

For large enterprises and public administrations, TIM Enterprise offers advanced technology solutions in Cloud, IoT, Cybersecurity that address the needs of businesses and institutions, helping to mitigate the risks and negative impacts associated with digital transformation, and enhancing opportunities for sustainable and inclusive growth. TIM Enterprise adopts a dedicated organizational model with the Group’s digital factories, such as Noovle for Cloud, Olivetti for IoT, Telsy for Cybersecurity, and Trust Technologies for Digital Identity, ensuring a direct and personalized relationship with customers. Below is a summary of the main strands of offerings:

- **Cloud Offerings:** TIM Enterprise’s Cloud solutions reduce operational risks by ensuring integrity, availability, protection and confidentiality of corporate data, while also offering regulatory compliance (GDPR). Integrated with digital identity services such as PEC, digital signature and SPID, the solutions simplify access to public and private services and support inclusive and sustainable work models through smart working and digital collaboration platforms. Integration with next-generation networks such as fiber and 5G offers higher speed and lower latency for Cloud applications, creating innovative digital ecosystems in areas such as smart industry, digital health, and smart infrastructure management.

  Finally, the Cloud offering supports the adoption of innovative technologies such as Artificial Intelligence, transforming business operations, and improving customer interaction. Below are some cloud-based solutions:

  - **Digital School** is the solution that promotes digital education for schools, including in remote areas, which includes access to fast connections via fiber optics and 5G, use of platforms for innovative teaching, provision of digital devices and cybersecurity services for safe use of technology. The offering promotes social inclusion as it is also designed to support students with disabilities by offering accessibility tools such as voice readers, automatic subtitles, and intuitive interfaces.
  - **AI Customer Assistant** is the solution that provides an AI-based virtual assistant and automates repetitive tasks, improving operational efficiency and allowing employees to focus on strategic tasks. Available 24/7, the assistant simultaneously manages and personalizes interactions on different communication channels (chat, email, phone), improving customer experience and satisfaction. It also collects valuable data to improve products, services, and marketing strategies.
- **IOT offers:** IoT technology enables real-time monitoring of critical infrastructure, machinery, and networks, reducing the risk of failure, sabotage, and cyber attacks. The expansion of the 5G network and fiber optics enables such technology and enhances it, offering greater real-time data processing capacity and a more secure interconnection between devices and infrastructure. TIM Enterprise offers advanced monitoring

systems, predictive maintenance, physical security solutions, and smart land platforms for monitoring environmental risks that optimize energy, water, and reduce waste.

In addition, the integration of IoT platforms with AI and Big Data offers applications that improve the quality of life in communities and government services through smart city, smart land, smart mobility, and smart agriculture solutions that promote equitable and sustainable digitalization, and reduce the social divide.

Innovative IoT projects with 5G and Virtual Reality also aim to enhance the country's cultural and artistic heritage. Here are some examples:

- **VisitAR Bologna** app offers an immersive and interactive experience through augmented reality, guiding visitors to discover places related to Guglielmo Marconi and the city of Bologna. The app enhances and personalizes the visitor experience, offering personalized and interactive content, providing stable connectivity, while helping to valorize the city's historical and musical heritage.
- **Taobuk 2024.** TIM is a partner of the international festival in Taormina, which celebrates the meeting of literature, art, science, and technology. TIM's contribution aims to highlight how a smart city can also be a place that preserves beauty and culture, creating new opportunities for Italy's artistic and cultural heritage through digital innovation. During the event, visitors were able to enjoy an immersive experience made possible by an eXtended Reality platform combining the technologies of Cloud, Artificial Intelligence, and 5G, and Virtual Reality viewers, discovering Taormina's iconic places, accompanied by the reading of texts from famous works.

- **Cybersecurity offerings.** TIM Enterprise's cybersecurity solutions protect Italian companies from cyber risks, ensuring a secure and reliable digital environment. Thanks to the expertise of Telsy, the TIM Group's center of excellence with more than 200 certified experts, the portfolio of offerings includes: Threat Intelligence, Incident Response, and Business Continuity solutions that identify and prevent threats, ensure rapid recovery times, and reduce the risk of disruptions; Data Protection and Compliance solutions that provide advanced encryption, secure access management, and regulatory compliance (e.g., GDPR); Cybersecurity Awareness solutions, to counter risks related to cybercrime, cyberbullying, and inappropriate content. TIM Enterprise ensures that these services are secure, accessible to all, and integrated with cybersecurity technologies to protect identities and online transactions. In 2024, TIM Enterprise took significant steps to spread the culture of cybersecurity and maximize the accessibility and adoption of these services.

  Key Cybersecurity actions during 2024 reflect TIM Enterprise's commitment to spreading a culture of cybersecurity:

  - **NIS2 (Network and Information System Directive).** TIM Enterprise, in collaboration with Telsy, supports companies and public administration in compliance with the NIS2 Directive, which aims to strengthen the security of networks and information systems. Initiatives include: the "Cyber Risk Evaluation & Management" offering; organizing roadshows with Confindustria in various Italian cities to offer practical insights into technological solutions for regulatory compliance; drafting a white paper to offer practical guidance for companies and the public administration, illustrating the technology solutions needed to achieve regulatory compliance;
  - **TIM Guardian** is an IT security solution for small and medium-sized businesses and public administrations, designed to protect Mobile, Fixed, MPLS and SDWAN connectivity without the need for additional software or equipment. Using artificial intelligence-based controls, the solution protects customer privacy and mitigates Cyber threats, ensuring safe browsing. As of December 2024, 152,785 mobile lines and 20,172 fixed lines have been activated on this offering;
  - **Check & Support** is a standard package for SMBs, small municipalities, and schools, offering operational support through Telsy in case of an attack, insurance for legal fees, and a tool to identify security problems. In 2024, 273 customers adopted this solution;
  - **Telsy skills** is an offering that helps companies train their employees and monitor awareness levels to prevent cyber solicitations. More than 50 companies have adopted this offering, involving more than 10,000 employees in the training.

- **Connectivity:** TIM Enterprise offers high-performance, flexible, and reliable fixed and mobile connectivity services that support businesses and Public Administration in the digital transition with nationwide coverage. The offering is distinguished by the customization of services, with scalable options and clear pricing packages that optimize costs. One of TIM Enterprise's priorities is to ensure continuity of service. The SD-WAN offering optimizes and monitors network performance in real time, enabling rapid recovery in case of failures, and improving the reliability of connections between business locations. TIM Enterprise also promotes digital inclusion with solutions such as FWA technology, which offers high-speed Internet services even in areas underserved by fiber, enabling small and medium-sized businesses, schools, and other entities to access modern, high-performance connectivity.

TIM S.A.

In Brazil, TIM S.A. is part of the "Conectividade em Escolas Rurais" Program, sponsored by Anatel Agência Nacional de Telecomunicações, the Brazilian government agency responsible for regulating and supervising the telecommunications sector, which aims to ensure coverage of rural areas in the country, including public schools. TIM S.A. also positively impacts connectivity-based rural productivity through the "Rural connectivity and digital inclusion" program. Currently, more than 20 million hectares are covered by 4G and more than 42.4 million hectares by NB-IoT, impacting more than 1.9 million people in rural areas.

[30], [MDR-A, 68 d], [31 a, b, d]: In relation to consumers and end users:

- to mitigate the negative impact *"Digital illiteracy widens socio-economic gaps and does not allow full participation of customers in the economy,"* in **Domestic BU**, TIM offers voice and internet offers at subsidized prices to low-income customers, in compliance with Resolution 290/21/CONS.

  In Brazil, **TIM S.A.** invests in remote areas to boost the economic and social development of these regions in infrastructure expansion. TIM S.A., in fact, is the first operator to reach a 100% nationwide presence with 2G, 3G or 4G technologies. Specifically, 4G will serve all 5,570 Brazilian municipalities from December 2023. In addition, it has been a pioneer in the activation of 5G networks in the country, a segment in which it has been the coverage leader since 2023. TIM S.A. has a Conduct Adjustment Agreement with Anatel, with which it is committed to expanding mobile broadband technology to around 350 municipalities numbering fewer than 30,000 inhabitants (target already achieved).

  In general, the Company monitors the effectiveness of its actions by ensuring a connection service in the most remote areas where it operates so that consumers and end users are not socially and economically excluded.

- To mitigate the negative impact, "*The inability of the company or supply chain to conduct responsible business that meets ethical social demands and transparent business practices can limit competition and informed*consumer *choices*," the Company has policies and procedures in place to ensure transparency of services offered, respect for human resources and consumer protection.

  The company verifies the application of and compliance with the policies cited in ESRS S4 MDR-P, datapoint 65 a in all processes.

- With reference to the impact "*Potential cybersecurity threats may result in the leakage of sensitive data of customers and/or employees*" in **Domestic BU**, only one incident with medium impact was reported, caused by a DDOS (Distributed Denial of Service) type attack characterized by unusual attack methods, which was promptly mitigated by the deployment of appropriate countermeasures, which were then made structural. The incidents worthy of reporting, which still remain with low impact, were two (caused by process or system vulnerabilities) out of a casement of 8265, while the others had no impact. To mitigate this impact, since 2003, TIM has implemented a comprehensive "Privacy Operating Model" to ensure the proper application of data protection regulations at the Group level. This model, developed on the principle of privacy-by-design, is constantly being improved and is based on:

  - transposing legislation and the indications of the Privacy Authority;
  - the assigning of roles and responsibilities for personal data processing obligations;
  - the drafting of disclosures for various categories of stakeholders (e.g., employees, customers);
  - the assessment of the risk associated with processing activities, recorded in the appropriate Registries (pursuant to the GDPR);
  - the implementing of appropriate technical and organizational measures to ensure a level of security appropriate to the risks.

  TIM monitors and evaluates the effectiveness of the Privacy Operating Model through the figure of the Data Protection Officer (DPO) with advisory, training, informational and supervisory functions regarding the application of privacy regulations, who informs and advises the organization and its employees about data protection obligations under the GDPR and monitors the organization's compliance with the Regulations and internal data protection policies and procedures.
  In addition, another method of evaluating the effectiveness of the actions implemented relate to measuring customer satisfaction and reducing security incidents.

  In Brazil, **TIM S.A.**, to prevent adverse impacts related to potential cybersecurity threats, seeks to continuously protect the cybersecurity of its customers by implementing policies, monitoring systems and employee training, and adopting advanced technologies, to prevent, detect and respond to incidents. In this regard, TIM S.A. has:

  - adopted and reinforced measures such as hiring a digital tool for the assistance service and the management of the Data Controller's Rights, thus providing a better customer experience in exercising their rights;
  - continuously and constantly implemented the processes and actions under the ISO 27001 (Information security management system) certification obtained in 2022;
  - created the Privacy Center on the institutional website;
  - created an internal security flow for incidents or personal data leaks.

  In Brazil, TIM S.A. maintains an open dialogue with its customers by means of research and the declarations registered with consumer protection agencies, such as Procons, the website Consumidor.gov.br, the Special Civil Courts, and Anatel. In doing so, it constantly tracks its actions and customer needs. Anatel also evaluates operators' services annually by way of a survey on satisfaction levels and the perceived quality of telecommunications services.

  The company also has a dedicated team tracking the transaction NPS for various customer journeys, both in the mobile and Ultra Fibra segments. The team develops plans to improve the experience and satisfaction with services, together with the different business areas.

  TIM S.A. tracks the service and the management of Data Controllers' Rights, thus offering customers a better experience in exercising their rights. Due in part to the aforementioned methods of evaluating performance effectiveness, no complaints about privacy violations and/or loss of client data were brought to the attention of the DPO.

[31 c]: With respect to the goal of making a positive contribution to improving social outcomes for consumers, within the Italian territory, all the actions implemented by the company have been extensively described and refer to ESRS S4 datapoint 31, letters a, b, d.

[32 a, b, c]: To mitigate negative impact "Potential cybersecurity threats may result in leakage of sensitive customer and/or employee data" see actions for BU Domestic and TIM S.A extensively described in ESRS S4 datapoint 30.

[33 a]: In relation to material risks relating to online security (such as cybercrime and cyberbullying), cyberattacks and sabotage of physical infrastructure, and unauthorized access to customers' personal data, TIM applies its wide-ranging Cyber Security process, which safeguards logical security and protects IT and infrastructure resources, as noted in MDR-A in the section "Information-related impacts for consumers and/or end-users".

The goal is to avoid incidents that could compromise customers' cybersecurity, with consequences in terms of loss of trust in the company. The effectiveness of the cybersecurity process is evaluated through constant monitoring of individual process steps and results in risk management. Risks related to cybersecurity and sabotage of physical infrastructure are also monitored within the Enterprise Risk Management (ERM) model adopted by the TIM Group, which takes into account the reference context.

[33 b]: On the relevant opportunity "The *development of new business models using advanced digital technologies (e.g., 5G, AI) can improve the company's operational efficiency, with consequences for economic and financial flows and benefits for consumers"*, the TIM Group adopts advanced technologies such as 5G and AI to improve operational efficiency and generate benefits for consumers. In the short run, these technologies improve resource management and generate value for the enterprise and consumers. In the long run, they foster the development of new business models, the acquisition of new market segments and the consolidation of consumer relationships.

5G technology offers numerous opportunities for the development of new business models in various sectors and is the basis for the many solutions offered by TIM. 5G is being used in the application of the Internet of Things to smart cities, telemedicine, automation and industry 4.0, augmented and virtual reality, and remote working. These models help to improve the quality of life for consumers, make core services more accessible and personalized, while providing companies with innovation and reduced operating costs.

In these models, IoT technology is increasingly integrated with AI to improve operational efficiency and customer experience. For example, the TIM Smart Home offering dedicated to families offers home automation solutions that integrate IoT devices with smart applications to optimize energy consumption, monitor security, and automate different functions in the home. In TIM Enterprise, most of the solutions dedicated to companies use AI applications.

AI also offers opportunities within the company, thanks to a growing number of areas in which it is being applied as below:

- **Optimization of Customer Service** through: analysis of customer-operator conversations using speech recording algorithms to better understand customer needs and propose effective solutions; Use of virtual assistants available 24/7 to customize answers and solve problems in real time; Implementation of chatbots to provide concise answers on procedures and bid content to front-end and back-office operators; application of generative AI to improve understanding of customer dialogues and provide relevant and personalized responses.
- **Predictive analytics:** AI can analyze customer data to predict trends and behaviors thus enabling personalization of offers and services.
- **Network infrastructure management:** AI can optimize infrastructure management by monitoring services in real time that detect malfunctions or congestion, allowing timely actions and reducing downtime.
- **IT Security**: AI can improve the security of IT networks and systems to identify anomalous behavior and potential threats, helping to prevent cyber attacks.
- **Simplification of internal processes:** the use of algorithms can automate internal operational processes, reducing the workload and increasing the overall efficiency of business activities.

[34]: Through constant monitoring of reporting channels and Customer Care activities dedicated to technical and administrative customer support, TIM acknowledges, analyzes the reports received. In a preventive form, all actions, processes, and actions that the company puts in place are aimed at avoiding any possible negative effects on consumers and/or end users. In addition, through the broader Cyber Security process, the company ensures responsible and secure management of consumer data and ensures that its marketing and sales practices are designed to prevent negative impacts.

[35]: As far as the TIM Group companies in Italy are concerned, at the date of publication of this sustainability statement, the TIM Group had received no reports for 2024 relating to serious human rights' issues and incidents related to consumers and end users.

[37]: To manage material impacts on consumers and end users, different business functions develop Business Plans, define actions and dedicate associated budgets, activating dedicated working groups where necessary to finalize the material activities.

S4-Metrics and targets

Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[MDR-T 80 a, b, c, d, e, f, i]: TIM, in the 2025-27 Plan, has identified the following specific targets for the Domestic BU perimeter:

1. **Advanced digital solutions** +17% YoY in the period 2025-27
2. **Digital Identity Services** +30% CAGR by 2025

Through these long-term targets, the progress of which is monitored periodically, the Group confirms its commitment to addressing the challenges and opportunities associated with technological transformation.

Targets are expressed as relative goals relative to an initial reference point.

Specifically, target 1 refers to revenues from sales of IoT, Cloud & Security services and is represented as a YoY percentage increase starting from the base year 2024. Consolidated TIM Enterprise revenues are considered, which also include Olivetti, Telsy, and Noovle net of inter-company items. The target being constructed as a % YoY increase, already presents de facto intermediate targets.

The target did not change in terms of slopes compared to the previous year, also as a result of changes in the organizational scope, as it relates to the company's core activities. An alignment was made in terms of the mode of summarization, moving from CAGR to YoY. The results confirm a 26% increase in revenues at the end of 2024 compared to 2023 with an over performance of Cybersecurity solutions revenues that recorded +50%, while cloud revenues reached +22%.

Target 2 refers to PEC, SPID, and Digital Signature digital services and is expressed as the percentage growth of active services as from the base year 2022 (CAGR). The target, specifically, is given by the sum of the number of active PEC boxes, the number of active SPID digital identities, and the number of Digital Signature certificates issued. There are no intermediate targets for this target.

This target also did not change from the previous year as it focused on core activities of the company. By year-end 2024 there was an increase of 35% (CAGR 2023-24). The growth is almost entirely related to digital signatures, which account for 97% of total services.

These targets are in line with the Sustainable Development Goals, particularly Goal no. 9 "Industry, Innovation and Infrastructure".

[MDR-T, 80 h]: Consumers and/or end users were not involved in the target-setting process.

[MDR-T, 80 j]: Plan targets are monitored periodically by the Chief Enterprise and Innovative Solutions Office. Progress is in line with what was initially planned , and the company is taking behaviors and actions that will further the achievement of the goal.

[41], [MDR-T, 81 b i, ii]: In order to monitor and track the effectiveness of its policies and actions put in place with regard to consumer and end-user IROs, the TIM Group adopts monitoring processes in accordance with standards and best practices, based on performance measurement systems. Specifically, the Company:

- in terms of aspects relating to network threats, the Group tracks and mitigates these threats;
- in terms of aspects relating to consumers' personal security, the Group tracks risks related to cybercrime, cyberbullying and inappropriate content;
- in terms of aspects relating to the social inclusion of consumers, the Group tracks the ability of consumers to access the benefits of modern and high-performance connectivity, even in challenging environments.

[41 a, b, c]: TIM has undertaken various initiatives to set and track revenue targets in the Cloud, IoT, Security and Digital Identity Services sectors, which have required the direct involvement of consumers and/or end users. In particular, as part of the double materiality process, end consumers have identified issues relating to cybersecurity and digital inclusion as material. This process required consumer involvement through questionnaires and/or interviews, and their preferences were critical in defining the relevant IROs but also the targets that the Domestic BU sets for itself. Thanks to the ongoing tracking of its own performance and the "Customer Satisfaction Index", TIM has been able to better contextualize the significant growth recorded in Cloud, IoT and Security services revenues and in Digital Identity services revenues and to guarantee continuous improvement in its performance.

4. GOVERNANCE DISCLOSURES

Business conduct [ESRS G1]

Impact, risk, and opportunity management

Disclosure Requirement G1-1 – Business conduct policies and corporate culture

[7], [MDR-P, 65 a]: IROs that emerged as significant from the analysis of dual relevance to the topic of "Business Conduct" are addressed within the "**Code of Ethics and Conduct,"** the **"231 Organizational Model,"** the **"Anti-Corruption Policy,"** the **"Tax Strategy,"** the **"Report on TIM Group's Remuneration Policy and Compensation Paid,"** and the **"TIM Group Artificial Intelligence Guidelines"**. All documents are linked to the following material impacts, risks and opportunities that emerged from the double materiality assessment:

Positive impacts

- *"Involving stakeholders in strategic initiatives helps create long-term value for customers and the supply chain";*
- *"Incentive mechanisms that encourage employees to adopt sustainable practices promote a culture of responsibility towards environmental and social impact".*

Negative impact

- *"The inability of the company or supply chain to conduct a responsible business, which responds to ethical social demands and transparent business practices, may limit competition and consumers' informed choices".*

Risks

- *"Potential non-compliance with anti-bribery regulations in the conduct of business increases the likelihood of legal liability and financial sanctions, as well as reputational damage";*
- *"The inability to effectively involve suppliers in the reduction of emissions can cause the failure to achieve the climate objectives, with an impact on economic and financial results as well as reputational damage";*
- *"Failure to adapt to regulatory developments in the use of generative AI can cause reputational damage and sanctions and can harm the economic sustainability of the company".*

Opportunities

- *"Strong ethical practices and transparent codes of conduct can improve brand reputation, attract ethical investors, and improve customer relationships";*
- *"Voluntary compliance with the Revenue Agency can bring benefits in terms of reputation and operational management".*

The "**Code of Ethics and Conduct"** guides TIM's actions in carrying out its business, in the belief that a common vision of ethics in the daily conduct of business is the essential prerequisite for responsible and sustainable growth. Specifically, the document includes:

- the distinguishing values of the Group's culture;
- the rules of ethical behavior for people in the Group and the guidelines for the conduct to be pursued in dealings with third parties;
- the objectives and good practices relating to sustainability and social responsibility, in order to conduct business activities in a way that safeguards the various aspects of the environmental, social and governance-related affairs of the Group;
- the methods of complying with the Code through the description of the commitment of corporate boards and management teams, as well as the approach to managing violations, whistleblowing, and the methods of disseminating and adopting of the document.

In relation to the IRO material for the topic "Business Conduct", TIM emphasizes its commitment to:

- managing relationships with all Third Parties in a responsible, transparent and correct manner by condemning the use of any illegal or incorrect behavior and constantly promoting compliance with applicable legislation;
- conducting activities in accordance with a "zero tolerance" to corruption by adopting the voluntary UNI ISO 37001 "Anti-bribery Management Systems" standard;
- believing in free and fair competition in the interests of all market operators, consumers and stakeholders in general, by avoiding prohibited, collusive, restrictive and abusive behavior and ensuring compliance with relevant regulations;
- not allowing the pursuit of personal or third party interests to the detriment of business interests by asking the Group's personnel to report the onset of potential conflict situations;
- selecting our suppliers in accordance with principles of fairness and impartiality and on the basis of rules established to verify their professionalism, integrity and sustainability, in line with applicable regulations;

- complying with applicable regulations on Artificial Intelligence and in complying with the best guidelines on the subject at national and international levels, fully aware that using this technology undoubtedly represents a factor of development and innovation, but at the same time may have ethical implications if not regulated.

The “**231 Organizational Model”** aims to prevent crimes being committed in the interests of the undertaking which may entail administrative liability. The model has the following purposes:

- to prevent and limit the risks associated with business activities, with particular regard to any illegal conduct that may result in liability on the part of the Company and consequent sanctions;
- to raise awareness of those operating in the name and on behalf of the Company in high-risk activities that the committing any unlawful conduct may result in criminal and administrative sanctions against them and the Company;
- to combat illegal behavior of any kind and regardless of purpose, since they violate applicable legislation laws are in any case contrary to the ethical principles to which the Company adheres;
- to raise awareness among the Company's employees and applicable third parties of the behavior required under the 231 Organizational Model to prevent the risk of committing crimes.

In accordance with best practice, TIM's 231 Organizational Model has been set out from a cross-compliance perspective, taking into account the adoption of the specific control models developed by the Company.

The “**Anti-Corruption Policy**” has the following main objectives:

- to manage the risk of corruption in accordance with a “zero tolerance” approach;
- to guarantee compliance with the anti-corruption laws;
- to protect the Company from the harmful consequences of non-compliance with the anti-bribery laws applicable to the TIM Group, including in terms of reputation and image;
- to encourage the use of instruments for the reporting of acts of Corruption, including those of third parties doing business with the Company;
- to strengthen awareness of the rules in order to ensure the active, responsible involvement of all addressees in the pursuit of the Anti-corruption Management System's objectives.

The “**Tax Strategy**” policy lays down the general objectives and the direction adopted by TIM in managing taxation. The Strategy has the following purposes:

- to disseminate the values and codes of conduct in tax matters to top management and to all the employees involved;
- to develop and promote ongoing relationships with the Tax Authorities in a professional, transparent and timely manner;
- to set out TIM’s tax risk tolerance (propensity for tax risk) with a view to promptly resolving potential disputes while at the same time reserving the right not to adhere to the positions of the Tax Authorities when the Company's grounds appear to be adequately supported;
- to set out appropriate control and monitoring tools to achieve the selected level of risk;
- to operate in compliance with the tax laws and regulations of the countries in which it is present by managing the monitoring of legislative developments, application management, information and in-house training;
- to continuously monitor business activities and processes so as to ensure compliance with the standards required by current tax regulations by means of involving all bodies and functions responsible for internal and external controls;
- to adapt – based on the needs and criteria of rationality and appropriateness –) the organizational structures, business systems and processes affected by legislative changes.

The **TIM Group’s Report on the remuneration policy and compensation paid** supports the achievement of the objectives set out in the Strategic Plan and a focus on the different business sectors, promoting the alignment of management interests with the goals of creating value for shareholders and a sustainable success for the company in the long term. The remuneration structure provides for a balance between the monetary component of remuneration (fixed and variable remuneration) and the enhancement of the non-monetary component (benefits and welfare), with a view to pursuing sustainable results over time.

The inclusion of ESG components in the incentive system is aimed at promoting sustainable behavior within the undertaking and aligning management interests with the Plan objectives.

The **“Artificial Intelligence Guidelines”** define the regulatory framework for the development, use and purchase of Artificial Intelligence Systems by TIM. This ensures that ethical principles translate into day-to-day operations in the interest of the Company and all its Stakeholders.

In particular, the Guidelines lay down:

- the ethical principles giving rise to the development, use and purchase of AI Systems within the TIM Group;
- the external and internal regulatory framework relating to AI Systems;
- the organizational and governance structure for managing AI issues, which sets out behavioral guidelines in relation to the development, use and purchase of AI Systems.

[7], [MDR-P, 65 b]: The Code of Ethics and Conduct applies to all people in the Group, with particular reference to the members of the Corporate Boards, management, employees of all Group Companies, external collaborators, and, where required by the company's procedural system, to third parties in business relationships with the Group.

TIM's 231 Organizational Model applies to: personnel holding representative, administrative and management functions within the Company; members of the Corporate, Management and Supervisory Bodies; all employees; and all third parties acting in the name and on behalf of the Company. The Model is to be considered as a guideline to which the Subsidiaries adhere in structuring their own Organization, Management and Control Model, without prejudice to the specifics of the activities of interest that will necessarily have to be represented and compliance with the applicable regulations on the liability, including criminal liability, of legal persons and companies in the countries where they are based or operate, as well as a suitable internal control and risk management system that provides for appropriate safeguards to verify its practical implementation.

The Anti-Corruption Policy applies to TIM S.p.A. and to members of the corporate bodies, employees and external staff engaging in various capacities with the Company. The Policy applies to Subsidiaries of the TIM Group and to the TIM Foundation: listed domestic and foreign companies and companies certified in accordance with UNI EN ISO 37001 may transpose the Policy by defining their own policies in compliance with the principles set out therein.

The Tax Strategy Policy applies to all companies in the TIM Group; Brazil has adopted its own policy based on the contents of the Group's policy.

The Report on remuneration policy and remuneration paid applies to the TIM Group.

The TIM Group's Artificial Intelligence Guidelines apply to: the members of the Corporate Bodies; management; employees of all Group companies; external workers; and, where required by the company's procedures, third parties in business relationships with the Group.

[7], [MDR-P, 65 c]: The adoption of the Code of Conduct was decided by resolution of the TIM Board of Directors on March 15, 2023. A periodic review of the Code is also ensured to implement any necessary updates.

The adoption of the 231 Organizational Model was also ordered by resolution of the Group's Board of Directors, after receiving the opinion of the Supervisory Body.

The Group's Anti-Corruption Policy was approved by the Board of Directors, after a prior review by the Control and Risks Committee. Within the company organization, the Compliance Department is in charge of overseeing the implementation and monitoring of the Anti-Bribery Management System and, more in general, the compliance of the Anti-Bribery Management System (ABMS) with ISO 37001:2016 requirements.

The Tax Strategy is approved by the Group's Board of Directors, following preliminary assessment by the Control and Risk Committee, and is promptly updated in the event of changes at the strategic and/or operational level.

The TIM Group's Report on the compensation policy and compensation paid was prepared by resolution of TIM's Board of Directors on March 2, 2022, based on the findings of the Nomination and Remuneration Committee.

The TIM Group's Artificial Intelligence Guidelines have been approved by the Board of Directors, which ensures that they are in line with TIM's strategy.

[7], [MDR-P, 65 d]: The Code of Ethics and Conduct is in line with the United Nations Global Compact with which TIM complies, while TIM gives effect to Italian Legislative Decree no. 231/2001 by means of the Organizational Model 231.

With the Anti-Corruption Policy, TIM undertakes to comply with the ISO 37001:2016 "Anti-Bribery Management Systems" standard published on October 15, 2016 by the International Organization for Standardization.

The Tax Strategy document makes reference to the OECD report "Co-operative Compliance - A Framework: From Enhanced Relationship to Co-operative Compliance"; OECD GUIDELINES "Building better tax control frameworks".

The TIM Group"s Guidelines on Artificial Intelligence take into account the following external regulations:

- Charter of Fundamental Rights of the European Union;
- Regulation (EU) 2024/1689 of the European Parliament and of the Council of June 13, 2024 laying down harmonized rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act - AI Act) (Text with EEA relevance);
- European Commission Guideline of November 25, 2021 Ethics By Design and Ethics of Use Approaches for Artificial Intelligence;
- Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation - GDPR);
- Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002 concerning the processing of personal data and the protection of privacy (e-Privacy Directive);
- UNESCO "Recommendation on the Ethics of Artificial Intelligence";
- GSMA "The AI Ethics Playbook Implementing ethical principles into everyday business";

- Council of Europe Framework Convention on Artificial Intelligence and Human Rights, Democracy and the Rule of Law.

[7], [MDR-P, 65 e]: The Group Policies take into account aspects identified as fundamental and priority by analyses conducted internally and with external stakeholders. These aspects are strongly linked to the operations of the TIM Group Companies.

[7], [MDR-P, 65 f]: To ensure the contents of the Policies are shared, the TIM Group makes documents available to its stakeholders on its corporate intranet and on the Group's company website, in compliance with “least privilege” and “need to know” principles. Where appropriate, for relations with third parties, specific contractual clauses will be added relating to the acceptance and/or compliance with some of the policies, such as the Code of Ethics.

[9]: Issues relating to business conduct are periodically discussed and reviewed by the Group’s Board of Directors and Supervisory Bodies in order to provide appropriate guidance. With this in mind, all policies mentioned in this topic – namely the Code of Ethics and Conduct, the 231 Organizational Model, the Anti-Corruption Policy, the Tax Strategy Policy and the TIM Group’s Report on the remuneration policy and compensation paid – have been established by specific resolution of the Board of Directors.

The Group also promotes its business culture among stakeholders by publishing its policies on the corporate website and on the Group’s intranet site and by encouraging specific sharing and training instances.

[10 a]: TIM has a Whistleblowing Portal through which all relevant stakeholders can report concerns regarding conduct that is illegal or in breach of the Code Of Business Conduct. Specifically, the following may submit whistleblowing reports: employees, former employees and candidates for employment; partners; customers; partners; suppliers (including contractors/subcontractors); self-employed workers or those in a collaborative relationship with the Group; freelancers; consultants; agents and intermediaries; volunteers and trainees (paid or unpaid); and anyone who has a legitimate interest in the Group's business.

[10 c]: The TIM Group makes reporting channels available to allow you to transmit, even anonymously, a report of your own or a third party, after having read the "Privacy Policy" published on the "Whistleblowing" page. On the above-mentioned sites and intranet pages dedicated to Whistleblowing, information is available on the conditions for making a Report. A FAQ section is also available with answers to the most frequently asked questions useful to ensure Reports are sent correctly.

In Italy, a report may be sent via:

- the Whistleblowing Portal, also present in TIM S.A., suitable for guaranteeing the confidentiality of the identity of the whistleblower through the use of secure protocols and encryption tools. After entering information, the Portal provides a Unique Identifier Code, which can then be used to check the processing status and to send and receive communications (even anonymously);
- voicemail at the Toll-Free Number 800664411;
- ordinary mail to the Supervisory Body of TIM or the TIM Group company concerned, addressed to the company's registered office. Whoever receives a report, in any form (written or oral), must send it promptly, and in any case within 7 days of receipt, through the above-mentioned channels to the Supervisory Body concerned, also through the TIM Audit Department, informing the reporting person at the same time (if known) that the report has been sent, and guaranteeing absolute confidentiality.

[10 e]: All reports received through the Whistleblowing Portal, including those relating to cases of bribery and corruption, are initially analyzed by the Audit Department in view of investigations potentially being instigated under the Whistleblowing Procedure. In addition, TIM has in place an Internal Control and Risk Management System (ICRMS) consisting of all organizational structures, rules and business procedures to ensure an effective and effective process to identify, measure, manage and monitor primary risks, which also includes adequate information flows aimed at facilitating the coordination of information between the various actors of the ICRMS.

[10 g]: The TIM Group delivers specific training and information sessions to its employees to ensure adequate dissemination of its business culture. In particular, the training touched on the following key topics:

- **Whistleblowing**: employee training on using the reporting system and whistleblower protection;
- **Anti-Corruption:** periodic employee training on the main regulations, the Group's Anti-Corruption Policy and related implementation procedures to enhance knowledge and raise awareness of the matter;
- **Corporate governance and Code of Ethics**: training delivered to all employees with the aims of disseminating the values and principles laid down in the Code of Ethics and understanding their ethical and operational responsibilities. Managers, on the other hand, follow specific pathways to strengthen ethical leadership and responsible management.

The modes of use include dedicated training courses that take place on specific days, videos posted on the company intranet that allow, instead, the course to be enjoyed in streaming mode, periodic newsletters. This is complemented by day conferences on compliance and values in the Code of Ethics and Conduct and dedicated Webinars.

[10 h]: The functions within the company that are most at risk of bribery and corruption are identified according to a risk-based approach. Specifically, this concerns “Personnel in a Significant Position”, (i.e. figures exposed to risk, as they are in contact with to third parties, such as public entities or private entities, other than customers/end users of the products/services sold by TIM). Personnel in a Significant Position include:

- first-level departmental managers;

- second-level departmental managers with powers of signature;
- personnel with powers of signature, where their responsibility is enshrined in the organization chart, in particular belonging to the following functions: Procurement & Logistics; Chief Financial Office; Chief Human Resources & Organization Office; Judicial Authority Services and Corporate Security & Fraud Management (Chief Public Affairs, Security and International Business Office);
- personnel with powers of signature, even where their responsibility is not enshrined in the organization chart, for the Chief Enterprise and Innovative Solutions Office function;
- individuals in the corporate function who work in the area of regulation and institutional relationships and who are mandated by the Company to maintain the relationships defined above;

Third parties that may present potential risks are divided into "Significant Relationships" (according to the nature of the relationship) and "Significant Third Parties" (according to the characteristics of the counterparty). Significant Relationships include relationships with public bodies, customers and suppliers, and private entities. Significant Third Parties include beneficiaries of sponsorships/ contributions; consultants, brokers, business partners and external workers; suppliers of goods and services; participants in extraordinary transactions (mergers, acquisitions); partners in joint ventures; recruitment candidates (evaluated for reputation and conflicts of interest).

Finally, TIM has identified the main business areas at risk of corruption. These include procurement, investments, budget, sales, logistics, human resources, finance and taxation, as well as the area pertaining to the control-governance environment in general (in particular management of gifts, representation fees, events and sponsorships, gratuities, membership fees, relations with Institutions/Authorities, authorizations and concessions, judicial and arbitration proceedings, occupation health and safety obligations, environmental protection obligations, and top management operations).

In TIM S.A., the result of the annual Anti-Corruption Risk Assessment identifies the relations, third parties, roles and activities with a medium to high level of exposure to corruption risk. In general, the assessment of the risk of corruption depends on:

- the type or nature of the relationship (sensitive relationships);
- the characteristics of third parties or the activities they carry out (sensitive third parties);
- the role played by the employee (sensitive roles);
- the activities considered sensitive.

Following the risk assessment process, TIM S.A. has identified the following sensitive activities: agreements; judicial, administrative, and arbitration proceedings; authorizations and licenses; relations with public officials, institutions, authorities, trade unions and associations; receiving and/or offering goods, services and/or invitations to events as representation fees; events; commercial and institutional sponsorships; donations to non-profit organizations; subsidized loans and financing; purchasing of goods and services; sales of goods and services; hiring of employees; management of employees' variable compensation incentives; health, safety and environment; investments; business partners.

[MDR-A 68 a, b, c, e], [MDR-A, 69 a, b, c]: In implementing the aspects related to IROs that emerged from the double materiality analysis linked to the identified policies on "business conduct", which provide the framework for the coherent and informed management of business activities, the Group implements actions that enable the management of aspects related to:

1. **Business culture and active and passive bribery**
2. **Management of relationships with suppliers including payment practices**

The actions, applied in both Italy and Brazil, involve internal operations and the value chain and aim to ensure transparency and reduce risks related to anti-corruption and regulatory compliance. Where available, financial resources are also reported in terms of operating expenses (OpEx) and material capital expenses (CapEx). These particularly include:

1. Business culture and active and passive bribery

- **Training on Anti-corruption:** the activity, which covers the policies and related implementation procedures, is aimed at all employees of TIM S.p.A. and subsidiaries in the Domestic perimeter. Anti-corruption policies are accessible through company portals and internal communication channels.
- **Anti-Corruption Management System (EMS):** The TIM Group has adopted an Anti-Corruption Management System aimed at preventing, detecting and managing corruption risks. This system, also required of subsidiaries, includes due diligence activities, conflict of interest analysis, reputational audits, and internal controls over risk processes. The implementation of the system complies with the ISO 37001:2016 standard, which provides guidance for establishing, implementing, and improving the anti-corruption system. The system is certified for Olivetti, Telecontact Center, TI Trust Technology, TI Sparkle and TIM S.A. It involves employees, corporate bodies, collaborators, suppliers and business partners through audits and reputational reviews. TIM S.A. also adopts the "Integrity Program", which establishes rules and actions to ensure compliance with Brazilian anti-corruption legislation, preventing and mitigating the risks of corruption and payment of bribes. For TIM S.p.A., the OpEx amounted to €178.5k.
- **231 Organizational model:** TIM continuously updates its 231 Organizational Model for the prevention of corporate crimes. Version 7.4, adopted on July 31, 2024, includes regulatory updates relating to bid rigging, fraudulent transfers, copyright, and preventive measures. The internal control system provides for constant monitoring through analysis of information flows covered by the 231 Model, as well as "red flag" reports. Findings are reported directly to the Supervisory Body. The Model is adopted by TIM S.p.A. and the

Group's main subsidiaries, covering all corporate functions, ensuring they comply with compliance and anti-corruption regulations. For TIM S.p.A., the OpEx amounted to €24.7k.

- **Tax Control Framework:** TIM has adopted a structured tax risk management system (Tax Control Framework) to ensure compliance with tax regulations and prevent avoidance and litigation risks. The company takes a prudent and transparent line of interpretation, maintaining a constant dialogue with the Italian Tax Agency to avoid interpretative uncertainties. The framework provides for internal monitoring processes to ensure the correct application of tax regulations and minimize reputational and financial risks. The company monitors tax activities nationwide, ensuring regulatory compliance and tax risk prevention. The framework involves the company's financial and administrative functions, with constant discussion with tax authorities.
- **Tax Risk Awareness:** the Tax Office function provides ongoing support to business functions involved in financial management to ensure that every decision is aligned with the current regulatory framework, reducing the risk of non-compliance, and improving the transparency of financial transactions.
- **Artificial Intelligence Guidelines:** The company has adopted Artificial Intelligence Guidelines defining the regulatory framework for the development, use, and procurement of Artificial Intelligence Systems by translating ethical principles into actions in the interest of the Company and Stakeholders. Constant monitoring of guidelines ensures regulatory compliance, with risk assessment activities and continuous monitoring to incorporate any regulatory changes.

Regulatory tools, as well as risk assessment and monitoring activities, are also continuously carried out to reflect any regulatory changes.

Particularly with regard to the corporate administrative responsibility, the 231 Organizational Model of TIM S.p.A was updated and adopted by the Company's Board of Directors on July 31, 2024. This new version incorporates regulatory changes regarding bid rigging (Law no. 137, of October 9, 2023), fraudulent transfers (Law no. 56, of April 29, 2024), copyright (Law no. 93, of July 14, 2023), sale of industrial products bearing false marks (Law no. 206, of December 27, 2023) and prohibitive protective measures (Law no. 17, of March 3, 2023 17).

2. Management of relationships with suppliers including payment practices

- **Joint Alliance for Corporate Social Responsibility (JAC):** TIM is among the founding members of the alliance of telecom operators to promote the application of sustainability principles along the supply chain. In carrying out this initiative, suppliers in the highest risk classes are audited to identify any non-compliance with the requisite standards and to define corrective action plans.
- **Supplier management**
  - **Payment terms.** To ensure a balance between TIM's operational needs and the economic stability of suppliers, standard payment terms are defined within the contracts for each Merchandise Group that take into account market criteria and business needs.
  - **Reverse Factoring.** TIM offers suppliers this financial option that gives them a choice of whether to advance the collection of receivables through contracted banking institutions to avoid liquidity risks, or to wait until the natural expiration of contract terms.

Supplier relationship management and payment management initiatives are applied within the TIM S.p.A. perimeter. These actions are of an ongoing nature.

[MDR-A, 68 d]: With respect to the negative impact identified during the double materiality analysis, "*The inability of the company or supply chain to conduct a responsible business, which responds to ethical social demands and transparent business practices, may limit competition and consumers*' informed choices", the Group has adopted an Anti-Bribery Management System (ISO 37001) that provides for due diligence of suppliers and audits on at-risk processes. Meanwhile, the 231 Organizational Model and the Code of Ethics ensure the monitoring of at-risk processes and the promotion of values such as transparency and compliance in business processes.

Disclosure Requirement G1-2 - Management of relationships with suppliers

[14]: The TIM Group Product and Service Purchasing Policy governs the objectives and general principles of the purchasing process, including the stages of payment to suppliers. Specifically, payment to suppliers occurs after the service is completed or the products/services have been delivered. At this point, the User Business Function records the entry of goods in the SAP system by referring to the purchase order issued to the supplier. This entry formalizes the acceptance of the supply/performance, authorizing the supplier to issue the invoice, and allowing payment within the terms stipulated in the contract.

It is the responsibility of the User Function to notify the supplier without delay via the supplier portal or by email of the amount of the goods entry, to prevent the supplier from issuing invoices for amounts other than those reported. The Accounting Operations Function within the Chief Financial Office registers the invoice and, after checking for approval, initiates the payment process.

TIM's business practices designed to avoid or minimize the effects of supply chain disruptions include the following operational measures:

- assessment about supply diversification to mitigate risks related to external factors;

- proactive supplier management, which includes continuous performance evaluation, conducting audit plans, and establishing shared contingency plans to strengthen supply chain resilience;
- definition of business continuity and crisis management plans to deal with any disruptions, including the use of alternative sources of supply or temporary reorganization of operations to minimize financial and operational impacts;
- adoption of sustainable and responsible practices within the supply chain to reduce reputational risk and build stable and lasting relationships with suppliers;
- ongoing training of purchasing officers to make them aware of supply chain risks and direct them to best management practices.

Within the Domestic BU, all suppliers operating in the geographic areas of Asia, Central and South America, North Africa, and Eastern Europe with order amounts greater than or equal to €250k and, more generally, all those with order amounts greater than €500k are considered to be at ESG risk. These suppliers are subjected to an ESG a questionnaire with more than 30 questions that also includes the following certifications:

- SA8000
- ISO 45001 "Occupational health and safety management systems"
- ISO 37001 "Management Systems for the Prevention of Corruption"
- ISO 30415 "Diversity & Inclusion"
- confidential procedure for reporting behavior that does not comply with the principles of the Code of Ethics

Access to the register requires passing a minimum threshold, which is binding for membership.

[15 a]: The TIM Group to prevent sustainability risks and impacts related to the supply chain and purchased products and services, implements the following activities with the aim of reducing emissions aimed at achieving climate targets:

- encourages and engages suppliers to develop a proactive approach toward sustainable development;
- works with TIM suppliers to continuously improve collective sustainability performance;
- incorporates sustainability into the tender documents, ensuring that they are a proportionate part of the evaluation criteria for contracts with a significant impact, where applicable;
- builds and develops practical tools to increase awareness, knowledge and understanding of relevant sustainability issues;
- promotes solutions that allow significant reductions in greenhouse gas emissions in the supply chain;
- works with suppliers/partners to reduce the risk of security incidents in all activities carried out with the ultimate aim of eliminating such incidents;
- promotes fair labor practices, including non-discrimination;
- verifies through Audits the level of respect for human rights in the production facilities of key suppliers located in areas with significant level of socio-environmental risk.

TIM also evaluates its suppliers based on their environmental and social performance. This occurs both during the acquisition phase, through the qualification and listing process, and during the ongoing relationship with TIM. Evaluation and monitoring of ESG performance is done through the Open-es platform, which also offers training, development and capacity-building tools on sustainability issues. The platform also encourages the exchange of best practices among suppliers within the community. TIM has set a goal of a 5% YoY increase in subscribers to the platform. At the end of 2024, the number of subscribers is more than 1,200 compared with about 1,000 in 2023.

In addition, TIM participates in the **Joint Alliance for CSR (JAC)** a joint initiative among telecommunications operators, of which the company is also a founding member, whose main objective is to verify, assess about the application of corporate social responsibility principles in the production centers of the main multinational suppliers in the industry. Through the JAC, audits are also conducted on the suppliers with higher CSR risk with specialized third-party companies. The audit, if successful, verifies the maintenance of the supplier's level of performance against the required standards over time; in the case of non-conformity, the audit instead commits the supplier to resolve the finding with a Corrective Action Plan (CAP) within agreed deadlines. During 2024, through the JAC, 139 audits were conducted that found a total of 675 non-compliances. TIM conducted a total of 11 audits during the year.

[15 b]: Confirmation of suppliers' inclusion in the TIM Group's register is subject to a pre-contract qualification, aimed at assessing their economic-financial, technical-organizational, and sustainability characteristics.

In 2024, 100% of newly qualified suppliers qualified by the **Domestic BU** undertook in writing in their own name and on behalf of any authorized subcontractors, collaborators, and employees, to comply with the principles of conduct of the Group's Code of Ethics and Conduct. In 2024, 217 suppliers were qualified, of which more than 18% were assessed by questionnaire on socio-environmental issues.

In Brazil, **TIM S.A.** has implemented a socio-environmental qualification process to reduce the risks associated with critical supplier activities. This process is part of selecting new providers and upgrading existing ones. During this phase, the social, environmental, health, and safety aspects of suppliers' activities are assessed. In 2024, 298 suppliers were evaluated, accounting for 14% of the total of 2,176 suppliers undergoing the qualification process. Of these, 93 are still under evaluation, 123 have been approved to provide services with low or medium socio-environmental risk, and 82 have been excluded without the need for improvement plans.

Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

[18 a]: To prevent, identify and address situations where acts of active and passive corruption occur TIM S.p.A. has implemented an Anti-Corruption Management System (EMS) in accordance with ISO 37001:2016, applicable to the Company, members of corporate bodies, employees, and collaborators. The UNI ISO 37001:2016 certification, obtained in 2019, was reaffirmed until October 13, 2025.

Subsidiaries are required to adopt EMS or equivalent safeguards based on corruption risks. In addition, the following are certified according to the ISO 37001 standard, TIM S.A. (March 15, 2021), Olivetti S.p.A. (May 11, 2022), TI Trust Technology S.r.l (June 6, 2022) Telecontact S.p.A. (July 21, 2022) and TI Sparkle S.p.A. (December 15, 2023).

Each year, TIM defines an EMS verification and monitoring plan, submitted for evaluation by the external Certifying Body to maintain certification.

In 2024, downstream of network separation, TIM S.p.A. has assessed about 100 business units that fall under the corruption risk assessment, in accordance with UNI ISO 37001:2016 certification. To combat corruption, it is essential to pay special attention to and constantly monitor certain sensitive activities. TIM S.p.A. then carried out a risk assessment, analyzing significant risk scenarios related to both active and passive bribery to both public and private entities. The Anti-Corruption Risk Assessment has identified areas and job positions at risk of corruption, as well as Third Parties and relationships that may present risk profiles in relation to anti-corruption regulations.

The Company has also implemented an IT system to support Third Party Risk Assessment, which is currently operational for suppliers and business and consumer business partners in the indirect sales network, through Anti-corruption Due Diligence activities.

In Brazil, TIM S.A. adopts a Corporate Risk Management (ERM) process according to the Corporate Risk Management Policy to identify and manage risks that may compromise business objectives and to take mitigation measures. The Audit and Risk Committee is involved in the process of identifying and assessing risks, including corruption risks, and the respective mitigation controls and continuous monitoring of sensitive activities. In Brazil, the Risk & Compliance area conducts an annual risk assessment of Sensitive Activities, linking them to material processes, responsible areas and functions, stakeholders involved, risk scenarios, and mapped controls.

The objective is to establish the basis for the Anti-Corruption Management System (AMS) through the identification and assessment of key corruption risks and the controls implemented to mitigate them.

In assessing corruption risks, factors such as the location and sectors of activities, the nature and complexity of activities, third parties involved, and relationships are considered. TIM S.A. identifies foreseeable corruption risks, maps the processes at risk, documents the methodologies used, and assesses the adequacy and effectiveness of existing controls to mitigate these risks.

The Company defines the criteria for assessing corruption risk, considering TIM's policies and objectives. This assessment is performed and verified by the Risk & Compliance Function in the context of risk assessment, both periodically (to adequately assess changes and new information within established deadlines and timeframes) and in the event of significant changes in TIM S.A.'s structure or activities. To combat corruption, it is essential to pay special attention to and constantly monitor certain activities that are considered sensitive. The annual Anti-Corruption Risk Assessment activity identifies relationships, third parties, roles, and activities with a medium- to high-level of exposure to corruption risk.

[18 b]: Reports of possible cases of active or passive corruption are received by the Supervisory Board of TIM or the TIM Group company concerned. This body, with the support of TIM's Audit Function, conducts an investigation by gathering the necessary information from the structures involved. These bodies are independent of the management that deals with the prevention and detection of corruption. After investigation and reporting to the Supervisory Board, TIM's Audit Function notifies the Compliance Function of any findings of suspected fraud with potential anti-corruption impacts. If recommendations for corrective actions emerge from the analyses, the management of the audited areas/processes must: define a corrective action plan to resolve critical issues, ensure its implementation within the stipulated time frame, report to the Audit Function on the status of implementation of actions. The Supervisory Board monitors the progress of corrective actions through periodic information provided by the Audit Function.

[18 c]: The TIM Board of Directors (BoD) approves the Anti-Corruption Policy, Code of Ethics and Conduct, 231 Organizational Model, and Compliance Management Activity Plan related to the Anti-Corruption Management System (AMS), receiving updates on the progress of the latter.

Likewise, the Boards of Directors of domestic subsidiaries approve the Group's Code of Ethics and Conduct, its 231 Organizational Model, the EMS for ISO 37001-certified companies, and the Anti-Corruption Policy.

The Board of Directors of TIM S.A. approves the Company's Code of Ethics and Conduct, a foreign version of the 231 Organizational Model in accordance with local regulations, and the Anti-Corruption Management System in accordance with ISO 37001. Finally, the Boards of Directors of the main foreign companies of the Sparkle Group adopt an international version of the 231 Organizational Model, in line with relevant local regulations.

[20]: The Anti-Corruption Policy, Code of Ethics and Conduct and 231 Organizational Model (General Part) are available on the corporate website, corporate intranet, and Group Supplier Portal, together with the Anti-Corruption Manifesto.

Contracts with business partners include an "anti-corruption clause" that requires acknowledgement of the Code of Ethics and Conduct, the Anti-Corruption Policy, and the 231 Organizational Model. Order Vouchers are issued with the acceptance clause of these documents.

In addition, since 2023 a video interview has been made available to third parties regarding the Code of Ethics and Conduct, the 231 Organizational Model and the Anti-Corruption Policy. In 2024, this was viewed by 34 business and consumer business partners from the indirect sales network.

TIM S.A. does not provide appropriate communication to third parties about its Anti-Corruption Policies, however, all suppliers are informed about the Anti-Corruption Policies at the time they sign a Service Supply Agreement with TIM S.A.

[21 a, b, c]: TIM's Anti-Bribery Policy provides for a Due Diligence check for resources who hold or are destined to hold roles identified as Significant Positions (job positions with non-low corruption risk) according to the Internal Guidelines.

This verification includes various aspects, including: The reputation and reliability of resources; The presence of any conflicts of interest, such as economic and financial interests in Third Party activities; relations with the public administration; the organizational position and the conferral of powers/proxies; participation in training initiatives on anti-corruption, the 231 Organizational Model and the Code of Ethics and Conduct.

The same Policy specifies that TIM conducts training and information activities to corporate bodies and employees, on the application of the 231 Organizational Model, anti-corruption issues, the Anti-Corruption Policy, implementation procedures, the Anti-Corruption Management System (AMS), and relevant regulations. The Anti-Corruption Policy and implementation procedures are communicated to respective stakeholders through publication on specific web portals or through dedicated communication initiatives.

The Compliance Department's Activity Plan includes Compliance Management Training and Communication initiatives (document for internal use of the Compliance Department). This document, approved by the BoD, provides, with regard to Training and Communication, different types of initiatives tailored to the target audience.

In particular, there are initiatives aimed at specific targets (such as managers, specific corporate functions, new hires, etc.) and mass awareness initiatives aimed at the entire corporate population. As a result, 100% of risk functions are covered by anti-corruption training programs. In 2024, 38,439 hours of anti-corruption training were provided. In addition, the Compliance Department has delivered an induction on compliance issues to the Chairman and the Sustainability Committee.

G1-Metrics and targets

Disclosure Requirement G1-4 – Incidents of corruption or bribery

[24 a, b]: No cases of corruption or bribery were identified in 2024. The Rome Public Prosecutor's Office is currently investigating alleged bribery between private individuals who reported to a former Group executive. The Company declares that it had no involvement in the incident and that it is an injured party.

The Company has taken action against those involved, both employees and external counterparties.

The TIM Board of Directors, having taken note of investigation by the Rome Public Prosecutor's Office into alleged bribery between private individuals, has declared that it will work fully with the investigating authorities, also in terms of identifying any liability against the Group, which had no involvement in the incident and should be regarded as an injured party. In this context, the Company had already launched specific auditing activities in the light of press rumors about the incident (referred to as the "Sogei" affair).

In addition to the above, further steps have been taken with the involvement of the Supervisory Bodies and management.

In the past 3 years, TIM S.p.A. has taken specific adjustment measures in its relations with suppliers for situations attributable to corruption.

Disclosure Requirement G1-6 - Payment practices

[33 a, d]: In line with company procedures, invoices are paid within the contractual terms, except for residual and insignificant cases, such as invoices under dispute for which payment approval is suspended or cases subject to different payment practices. Average payment term in days is calculated as a weighted average based on the volume of trade payables, separated by payables covered by finance agreements and payables not covered by such agreements.

[33 b]: TIM's standard contractual payment terms provide for payment against invoice at 120 days for 95% of the commodity groups classified in the company, while 60 or 90 days apply for the remaining 5% of commodity groups. There are additional cases that may deviate from standard payment terms, such as to specific framework agreements or lease purchases.

[33 c]: For TIM S.p.A., the number of pending disputes with suppliers for non-payment is 14[22].

[22] Figure subject to possible change given the recent migration to a later release of the software system used by legal functions still undergoing assessment and verification.

5. NETCO PERFORMANCE INFORMATION

Introduction

In line with what is set out in the section "The Sale of NetCo" of the Report on Operations, to which reference is made for more details, the Board of Directors of TIM S.p.A. on November 3, 4 and 5, 2023, reviewed and approved the binding offer submitted by Kohlberg Kravis Roberts & Co. L.P. ("KKR") for the acquisition of the entire share capital of FiberCop S.p.A. following the contribution by TIM S.p.A. of a business unit consisting of the activities related to the primary network, the wholesale business and the entire stake in the subsidiary Telenergia S.r.l. (the "NetCo Branch").

The transaction was governed by a transaction agreement, signed on November 6, 2023, between TIM S.p.A., Optics Bidco S.p.A., Teemo Bidco S.à r.l. (subsidiaries of KKR) and FiberCop S.p.A., which provided, among other things, for the contribution by TIM S.p.A. of the NetCo Branch to FiberCop S.p.A., a company already operating in the management of the secondary fiber and copper network, and the simultaneous purchase by Optics BidCo S.p.A. of TIM S.p.A.'s entire stake in FiberCop S.p.A.

The transaction agreement also governed the terms of a master services agreement between the new Entity "NetCo" (i.e. FiberCop S.p.A. following the transfer of the NetCo Branch) and TIM S.p.A., which was signed upon completion of the transaction.

The **transaction was finalized on July 1, 2024.**

In this section, to offer maximum transparency to the market and to users of its Sustainability Report, the TIM Group therefore discloses the main sustainability indicators of the NetCo component in the portion of the year in which it was part of the Organization, i.e. between January 1 and June 30, 2024. The indicators disclosed were selected based on two main drivers:

- sustainability aspects potentially material to NetCo's business (fixed network);
- the choice of flow indicators at the expense of stock [23] indicators.

The analysis conducted identified the following ESRS disclosure requirements as material:

- **E1-5: Energy consumption and mix**
- **E1-6: Gross Scope 1, 2, 3 and Total GHG emissions**
- **E5-5: Resource outflows**
- **S1-6: Characteristics of the undertaking's employees**
- **S1-9: Diversity metrics**
- **S1-14: Health and safety metrics**

Based on the information available to the TIM Group, the section below discloses all information required by the ESRS Standards with reference to the above-mentioned requirements.

[23] A stock indicator measures the quantity of a thing at a given time (e.g. number of company sites at a given time - December 31). A flow indicator, on the other hand, measures quantity over an interval of time (e.g. tCO_2 emissions over a certain time interval — January 1, 2024 to June 30, 2024).

Sustainability performance

E1 - Climate change

E1 - Metrics and targets

Disclosure requirement E1-5 - Energy consumption and energy mix

[MDR-M, 77 a], [37 a, b]: Below are metrics related to the energy consumption and energy mix of the NetCo business, which is not among the companies subject to the reporting requirements of high climate impact industries.

TIM uses standard methodologies to measure energy consumption and its mix. Total energy consumption, measured in megawatt hours (MWh), is divided into energy from fossil, renewable and nuclear sources. Energy from fossil sources includes fuels such as coal, oil and natural gas, as well as purchased energy from fossil sources.

Nuclear power, i.e., the share of electricity generated by nuclear power plants, was calculated based on the Residual Mix, using the figure published by AIB 2023 (Association of Issuing Bodies) to ensure consistency with the emission factors adopted in the emission calculations. For the reporting year, the share of nuclear power in the Italian Residual Mix of 4.40% was applied to total electricity consumption from mixed sources.

Self-produced and internally consumed energy is counted only once in the relevant category.

Finally, renewable energy is detailed in three categories: renewable fuels (biomass, biogas, renewable hydrogen), purchased renewable energy (electricity, heat, steam) and self-generated renewable energy.

[37]: Energy consumption and mix - NetCo

	UOM	2024
Total energy consumption from fossil sources	**MWh**	**670,017.62**
Percentage of fossil sources in total energy consumption	%	82.69
Total energy consumption from nuclear sources	**MWh**	**25,640.44**
Percentage of energy consumption from nuclear sources in total energy consumption	%	3.16
Fuel consumption from renewable sources	**MWh**	**0.00**
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	114,303.91
Consumption of self-generated renewable energy without relying on fuels	MWh	275.08
Total energy consumption from renewable sources	**MWh**	**114,578.98**
Percentage of renewable sources of total energy consumption	%	14.14
Total energy consumption related to own operations	**MWh**	**810,237.04**

[39]: The following are data from NetCo's business unit on power generation from nonrenewable sources and power generation from renewable sources.

[39] Non-renewable and renewable energy production - NetCo

	UOM	2024
Non-renewable energy production	MWh	58,313.45
Renewable energy production	MWh	275.08

Disclosure requirement E1-6 - Gross GHG emissions for Scope 1, 2, and 3, as well as total GHG emissions

[MDR-M, 77 a], [44]: Below are the gross Scope 1, 2 and 3 GHG emissions attributed to the NetCo business unit in metric tons of CO_2eq. The emissions refer to the first half of 2024.

[44] [52 a, b] Gross Scope 1,2,3 GHG emissions - NetCo

	UOM	2024
Gross Scope 1 GHG emissions	tCO2eq	27,557.09
Gross Scope 2 Location-Based GHG emissions	tCO2eq	183,454.93
Gross Scope 2 Market-Based GHG emissions	tCO2eq	291,698.40
Gross Scope 3 GHG emissions	tCO2eq	358,053.98
Total Location Based GHG emissions	**tCO2eq**	**569,066.00**
Total GES Market Based emissions	**tCO2eq**	**677,309.46**

[MDR-M, 77 a], [48 a]: **NetCo's gross Scope 1 GHG emissions** are reported in metric tons of CO_2eq and are generated almost exclusively from **fossil fuels for heating, automotive, and power generation.**

Also included in the calculation and converted to CO_2 are leaks of hydrochlorofluorocarbon (HCFC) gases, hydrofluorocarbon (HFC) gases, and other gases when present in air-conditioning and fire-fighting systems.

Valuation of CO_2 equivalent emissions of HCFC, HFC and other refrigerant gases is done by considering global warming potentials (GWP): the index is based on a relative scale that compares the gas considered with an equal mass of carbon dioxide whose GWP is 1 and the calculation used the IPCC's Sixth Assessment Report (VI Report).

The emission factors used, expressed in CO_2eq are published by DEFRA 2024 (Department For Environment, Food and Rural Affairs).

The calculation of the Scope 1 GHG emissions excludes absorptions, and any shares of GHG or carbon credits purchased, sold or transferred. Furthermore, NetCo is not included in the scope of activities for the EU Emissions Trading System (EU ETS).

Scope 1 GHG emissions are calculated by distinguishing the origin from stationary combustion, mobile combustion, process emissions and fugitive emissions using suitable data on activities that include consumption of nonrenewable fuels.

There are no biogenic emissions not included in Scope 1 attributable to the NetCo business unit.

[48a] Type of GHG emissions included in Scope 1 - NetCo

	UOM	2024
Emissions by stationary combustion:	**tCO2eq**	**13,869.09**
emissions from trigeneration	tCO2eq	11,643.27
heating emissions	tCO2eq	1,988.26
sources*[24]	tCO2eq	237.56
biogas emissions	tCO2eq	—
Mobile combustion emissions:	**tCO2eq**	**12,023.80**
emissions from haulage;	tCO2eq	12,023.80
emissions from machinery used for the maintenance and cleaning of plants;	tCO2eq	—
Process emissions:	**tCO2eq**	**—**
Emissions from tributaries;	tCO2eq	—
fugitive emissions:	**tCO2eq**	**1,664.20**
emissions from the dispersion of ozone-depleting gases	tCO2eq	1,664.20
Total Scope 1 emissions	**tCO2eq**	**27,557.09**

[48 b]: For Scope 1 GHG emissions, the NetCo business unit (in line with the Group) does not use and therefore does not consider emissions regulated by ETS.

[MDR-M, 77 a], [49 a, b], [52 a, b], [RA 45 d]: NetCo's **gross Scope 2 GHG emissions**, expressed in metric tonnes of CO_2eq, are reported in a disaggregated manner, distinguishing between emissions measured by the Location Based method and those measured by the Market Based method.

For the **Location-Based methodology**, NetCo uses the average emissions associated with the electricity grid of the country where the energy is consumed, applying national emission factors. Databases used include ISPRA 2023 (published on 5/22/24). This approach reflects the indirect emissions deriving from purchased energy based on the composition of the local power grid.

For the **Market-Based methodology,** specific energy supply contracts such as green power purchase agreements were considered. NetCo uses the AIB 2023 emission factors (published 4/06/24) for the residual mix. No biogenic CO_2 emissions from the combustion or biodegradation of biomass are recorded for Scope 2 GHG emissions.

"Market Based" emissions are covered by Power Purchase Agreements with ERG for the supply of energy from wind power plants, covering 17% of the total energy purchased. The percentage coverage is for the first half of 2024 which reports energy consumption and the share of PPA available to NetCo as of June 30, 2024.

Below are the gross Scope 2 GHG emissions attributed to the NetCo business unit in metric tons of CO_2eq.

[24] Emissions from self-generated electricity from mixed sources in the table include emissions from diesel fuel for generators

[49 a, b] Gross Scope 2 GHG emissions - NetCo

	UOM	2024
Gross Scope 2 Location-Based GHG emissions	tCO2eq	183,454.93
Gross Scope 2 Market-Based GHG emissions	tCO2eq	291,698.40

[MDR-M, 77 a], [51]: NetCo's **gross Scope 3 GHG emissions** are in line with the principles of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol (2011 version, pp. 61 and 65-68) and include reporting on the following emission-relevant categories: 1. "Purchased goods and services"; 2. "Capital goods; 3. "Fuel and energy-related activities".

Offsets and any GHG allowances or carbon credits purchased, sold or transferred are excluded from the calculation of Scope 3 emissions.

The Scope 3 categories were measured using inputs from specific activities along the upstream and downstream value chain, but were not calculated based on raw data obtained from suppliers or other partners along the value chain.

Below are the calculation methodologies for the different Scope 3 categories:

- **Category 1 - Purchase of products and services.**: consistent with the Greenhouse Gas Protocol (GHGP), an expenditure-based methodology was adopted using the purchase items (expenditure approved), by commodity group. For the conversion of the monetary value into emissions, the NACE-Eurostat emission factors were used.
- **Category 2 - Purchase of capital goods:** an expenditure-based methodology was adopted that used investment items (expenditure approved, relative to the purchase value of the asset) by commodity group. Emission factors related to the type of purchase published by Eurostat were used to convert the monetary value to emissions.
- **Category 3 - Fuels and energy-related activities (not included in Scope 1 or 2):** the calculation was made by multiplying the fuel consumption and electricity purchase data of Scope 1 and Scope 2 by their respective emission factors. These factors include the impact generated by the production of the energy carrier and the losses associated with transportation and distribution. For fuels, the DEFRA 2024 database was used; For nonrenewable electricity, however, DEFRA 2021 emission factors were used, as those for the 2024 database were no longer available.

The calculation of the Scope 3 GHG emissions excludes absorptions, and any shares of GHG or carbon credits purchased, sold or transferred.

[51]: Gross Scope 3 GHG emissions - NetCo

	UOM	2024
Category 1 Purchased goods and services	tCO2eq	262,348.15
Category 2 Capital goods	tCO2eq	38,588.40
Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	tCO2eq	57,117.43
Gross Scope 3 GHG emissions	**tCO2eq**	**358,053.98**

[MDR-M, 77 a], [47]: Due to the organizational discontinuity that occurred on July 1, 2024 and resulted in significant changes in the circumstances affecting GHG emissions, it is not possible to provide comparative information with respect to previous years

In addition, there were no biogenic emissions of CO_2 from the combustion or biodegradation of biomass that occur in its upstream and downstream value chain.

[MDR-M, 77 a], [53]: Below is expressed the value of GHG Intensity in metric tons of CO_2eq by relating NetCo's net revenues to total GHG emissions by both the market-based and location-based method.

[53] GHG intensity relative to net revenues - NetCo

	UOM	2024
Total Location Based GHG emissions	tCO2eq	569,066.00
Total Market Based GHG emissions	tCO2eq	677,309.46
Net revenues used to calculate GHG intensity	€ million	2,317.00
Intensity of Location Based GHG emissions	**tCO2eq/million €**	**245.60**
Intensity of Market Based GHG Emissions	**tCO2eq/million €**	**292.32**

[55] Reconciliation with financial statements

	UOM	2024
Net revenues used to calculate GHG intensity (E1-6)	€ million	2,317.00
Net revenues (other)	€ million	—
Total net revenues (in financial statements)	**€ million**	**2,317.00**

E5-Resource use and circular economy

E5_Metrics and targets

Disclosure Requirement E5-5 - Resource outflows

[MDR-M, 77 a], [37 a, b, c, d]: Waste is classified according to the European Waste Catalogue (EWC) and is obtained through direct measurements and tracked on dedicated management systems. Waste classification, management and delivery methods are in accordance with Directive 2008/98/EC of the European Parliament and Council, also known as the "Waste Framework Directive."

[37] Waste generated - NetCo

	UOM	2024		
		Hazardous waste	Non-hazardous waste	Total
Total waste generated	**t**	**36.71**	**868.16**	**904.87**
Waste not directed to disposal	**t**	**36.71**	**868.16**	**904.87**
Waste diverted from disposal for preparation for reuse	*t*	*0.00*	*0.00*	*0.00*
Waste diverted from disposal through recycling	*t*	*0.00*	*0.00*	*0.00*
Waste diverted from disposal for other recovery operations	*t*	*0.00*	*0.00*	*0.00*
Total waste directed to disposal	**t**	**0.00**	**0.00**	**0.00**
Waste directed to disposal for incineration	*t*	*0.00*	*0.00*	*0.00*
Waste directed for disposal for landfill	*t*	*0.00*	*0.00*	*0.00*
Waste directed for disposal for other disposal operations	*t*	*0.00*	*0.00*	*0.00*
of which non-recycled waste	*t*	*0.00*	*0.00*	*0.00*
Percentage of waste not recycled	**%**	**0.00**	**0.00**	**0.00**

[38 a, b]: Relative to its own operations, NetCo produces:

- Non-hazardous waste such as mixed packaging, inks and toners, discarded equipment, and electrical and electronic waste;
- hazardous waste such as batteries and accumulators.

These types of waste are in line with the TLC sector.

In general, the materials in the main types of waste generated by NetCo include mainly biomass (paper, wood, and cardboard); plastic; glass; mixed metals (iron, steel and copper).

[39]: The total amount of hazardous and radioactive waste in tons attributed to NetCo is shown below.

[39] Hazardous and radioactive waste - NetCo

	UOM	2024
Total amount of hazardous waste	t	36.71
Including total amount of radioactive waste	t	*0.00*

[MDR-M, 77 a], [40]: The ways in which waste is classified, managed and delivered are identified in accordance with Directive 2008/98/EC of the European Parliament and Council, also known as the “Waste Framework Directive”.
Data pertaining to waste type follow the European Waste Catalogue (EWC) classification and are obtained through direct measurements and tracked on dedicated management systems.

S1-Own workforce

S1 - Metrics and targets

Disclosure Requirement S1-6 - Characteristics of the undertaking's employees

[50 a] Employees by gender - NetCo.

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees - at the end of the period (head	**n**	**4,479**	**15,392**	**—**	**—**	**19,871**
Employee breakdown by gender - at the end of the	%	22.54	77.46	—	—	—
Total employees - period average (head count)	**n**	**—**	**—**	**—**	**—**	**—**
Employee breakdown by gender - period average	%	—	—	—	—	—

[50 b] Employees by contract type and gender at end of period - NetCo

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees	**n**	**4,479**	**15,392**	**—**	**—**	**19,871**
Permanent employees	n	4,479	15,391	—	—	**19,870**
Fixed-term employees	n	0	1	—	—	**1**
Non-guaranteed hours employees	n	0	0	—	—	**0**

[50 c] Employee turnover - NetCo

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees	**n**	**4,479**	**15,392**	**—**	**—**	**19,871**
Employees who have left the company	n	20	51	—	—	**71**
Employee turnover rate	%	0.45	0.33	—	—	**0.36**

[MDR-M, 77 a]: The turnover rate is calculated as the ratio of the number of employees terminated during the reporting year to the total number of employees at the end of the reporting period. Employees who have terminated employment due to retirement, incentive termination, spontaneous resignation, layoff, and death in service are considered. It is specified that all data are calculated as of 06/30/2024.

[MDR-M, 77 a], [50 d]: The data collection of employee numbers for the first half of 2024 for the NetCo business unit was carried out by extrapolating data from the Group's IT systems. The data are expressed in headcount and at the end of the period.

[MDR-M, 77 a], [50 e]: To understand the data it is necessary to refer to the introduction in the same section. In addition, with reference to the total number of employees, the NetCo perimeter reported is photographed as of June 30, 2024, and includes 7 headcounts terminated on the same day and thus not included in the headcount to be transferred to NetCo.

[50 f]: The reference to the number of NetCo employees cannot be consulted in the 2024 Consolidated Financial Statements as this figure is no longer reported following the sale of NetCo.

Disclosure requirement S1-9 - Diversity metrics

[66 a] Employees at Top management level by gender - NetCo

	UOM	2024 Women	Men	Other	Not reported	Total
Total employees at Top management level	**n**	**1**	**2**	**—**	**—**	**3**
Gender distribution amongst employees at top management level	%	33.30	66.70	—	—	**100.00**

[MDR-M, 77 a]: NetCo defines **"Top Management"** as people who play a key role in the development of business strategies and who report directly to the Management and Control bodies or to the Chief Executive Officer. It is specified that NetCo data are calculated as of 06/30/2024.

[66 b] Employee distribution by age group - NetCo

		2024				
	UOM	Women	Men	Other	Not reported	Total
Total employees	**n**	**4,479**	**15,392**	**—**	**—**	**19,871**
Employees under 30 years old	n	32	295	—	—	**327**
	%	0.71	1.92	—	—	**1.65**
Employees between the ages of 30 and 50	n	1,326	3,187	—	—	**4,513**
	%	29.60	20.71	—	—	**22.71**
Employees over the age of 50	n	3,121	11,910	—	—	**15,031**
	%	69.68	77.38	—	—	**75.64**

[MDR-M, 77 a]: In this table, the percentage of employees by age group is calculated by relating the number of employees by age group and gender to the total by gender. It is specified that for NetCo, data are calculated as of 06/30/2024.

[66 b] Percent distribution of employees by age group - NetCo

		2024				
	UOM	Women	Men	Other	Not reported	Total
Percentage of employees under 30	%	0.16	1.48	—	—	**1.65**
Percentage of employees between 30 and 50 years	%	6.67	16.04	—	—	**22.71**
Percentage of employees over 50 years old	%	15.71	59.94	—	—	**75.64**

[MDR-M, 77 a]: This table shows the percentage of employees by age group and gender, out of the total number of employees. It is specified that for NetCo, data are calculated as of 06/30/2024.

Disclosure Requirement S1-14 - Health and Safety Metrics

[88 a]: Workers covered by the health and safety management system - NetCo

		2024		
	UOM	Employees	Non-employees	Total
Own workers covered by the health and safety management system	n	19,871	—	**19,871**
	%	100.00	—	**100.00**

[88 b]: Fatalities from work-related injuries and illnesses - NetCo

		2024			
	UOM	Employees	Non-employees	Other workers	Total
Fatalities from work-related injuries and illnesses	n	0	0	0	**0**

From January 1, 2024 to June 30, 2024, there have been no deaths due to work-related injuries.

[88 c] Recordable Occupational Injuries - NetCo

		2024		
	UOM	Employees	Non-employees	Total
Recordable work-related accidents	n	108	—	**108**
Rate of recordable work-related accidents	%	6.99	—	**6.99**

[MDR-M, 77 a]: The number of recordable occupational injuries corresponds to the recorded injuries that resulted in at least one day off work. The figure does not include injuries caused by passive accidents.

The work injury rate is calculated as the ratio of the number of recorded work injuries to the total hours worked in the year (given by the sum of hours worked, overtime hours, training hours and travel hours), which is 39,850,276, multiplied by 1,000,000. It is specified that the data are calculated as of 06/30/2024.

[88 d, e] Cases and days lost due to occupational injuries, accidents and deaths - NetCo

	UOM	2024
Recordable cases of work-related illness	n	3
Work days lost due to work-related injuries and fatalities due to work-related injuries and illnesses and fatalities due to illnesses	n	3,703

[MDR-M, 77 a]: The number of cases involving recordable work-related illnesses refers to complaints filed during the reporting period. Days lost due to injury do not consider days not worked for commuting accidents, unless transportation was arranged by the Company, or for injuries caused by passive accidents. In the case of an injury with absences spanning two reporting years, the injury is recorded in the year in which it occurs, while the days of absence are counted in the year in which they are actually used. It is specified that all data are calculated as of 06/30/2024.

Certification of the sustainability report pursuant to Article 81-ter of CONSOB Regulation no. 11971, of May 14, 1999, as amended

The undersigned Pietro Labriola, in his capacity as Chief Executive Officer of TIM S.p.A., and Enrica Danese, in her capacity as Sustainability Reporting Manager of TIM S.p.A., certify, pursuant to Article 154-bis, paragraph 5-ter, of Legislative Decree No. 58 of February 24, 1998, that the sustainability reporting included in the Report on Operations has been prepared:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024;
- with the specifications adopted under Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.

March 5, 2025

Chief Executive Officer	Manager in charge of Preparing the Sustainability Report
/ signed /	/ signed /
Pietro Labriola	Maria Enrica Danese

Independent Auditors’ Report on the Sustainability Report

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Independent auditor’s report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010
(*Translation from the original Italian text*)

To the Shareholders of
TIM S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree n. 125 dated 6 September 2024 (hereinafter "Decree") on the Consolidated Sustainability Statement of TIM S.p.A. and its subsidiaries (hereinafter "Group" or "TIM Group") for the year ended on 31 December 2024 (hereinafter ‘’CSS’’), prepared in accordance with Article 4 of the Decree, included in the specific section of the Report on operations of TIM Group.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the TIM Group CSS for the year ended on 31 December 2024, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also referred to as "ESRS");
- the information included in the paragraph “*EU Taxonomy*” of the CSS has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

Elements underlying the conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard (“*Principio di Attestazione della Rendicontazione di sostenibilità*”) – SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "*Auditor’s responsibility for the Assurance on the Consolidated Sustainability Statement*" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the CSS according to Italian law.
Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

EY S.p.A.
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We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Other Matters – Comparative information

The CSS for the year ended on 31 December 2024, contains, in the specific section "*EU Taxonomy*" the comparative information referred to in Article 8 of the Taxonomy Regulation related to the year ended on 31 December 2023, which has not been subjected to verification.

Responsibility of the TIM Group Directors and Board of Statutory Auditors for the Consolidated Sustainability Statement

The Directors are responsible for the development and implementation of procedures used to identify the information included in the CSS in accordance with the requirements of the ESRS (hereinafter the "Materiality assessment process") and for the description of such procedures in the paragraph "*Impact, risk, and opportunity management*" of the CSS.

The Directors are also responsible for the preparation of the CSS, which contains the information identified through the Materiality assessment process, in accordance with the requirements of Article 4 of the Decree, including:

- compliance with *ESRS*;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "*EU Taxonomy*".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the CSS in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Intrinsic limitations in the preparation of the Consolidated Sustainability Statement

As indicated in paragraph "*Basis of preparation*", for the purpose of reporting prospective information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions, described in the CSS, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.
As indicated in the paragraph "*Basis of preparation*", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Auditor's responsibility for the Assurance of the Consolidated Sustainability Statement

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the CSS is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the CSS.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard ("*Principio di Attestazione della Rendicontazione di Sostenibilità*") – SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.
Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the CSS and assuming full responsibility for the conclusions regarding the CSS.

Summary of the work performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the CSS were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the CSS, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the CSS, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the CSS;
- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:

    - for the information collected at the Group level:

- carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
- performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;

- for the information collected at Company level, remote meetings were held for TIM S.p.A. and TIM S.A. These Companies were selected based on their activities and their contribution to the CSS metrics. During these activities, we conducted interviews with Group personnel and obtained documentary evidence regarding the determination of the metrics.
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the CSS;
- cross-checking the information reported in the CSS with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the CSS in accordance with the ESRS;
- obtaining the representation letter.

Turin, 24 March 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.

TIM GROUP CONSOLIDATED financial STATEMENTS

CONTENTS

TIM GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets

(million euros)		notes	12/31/2024	of which with related parties	12/31/2023	of which with related parties
Non-current assets						
Intangible assets						
Goodwill		4)	11,030	—	19,170	—
Intangible assets with a finite useful life		5)	6,011	—	7,122	—
			17,041	—	**26,292**	—
Tangible assets		6)				
Property, plant and equipment owned			**4,560**	—	**14,692**	—
Rights of use assets		7)	**3,467**	*1*	**5,515**	*51*
Other non-current assets						
Investments in associates and joint ventures accounted for using the equity method		8)	265	—	537	—
Other investments		8)	150	—	140	—
Non-current financial receivables arising from lease contracts		9)	40	—	112	*64*
Other non-current financial assets		9)	646	—	1,103	—
Miscellaneous receivables and other non-current assets		10)	1,795	*3*	2,187	*2*
Deferred tax assets		11)	513	—	701	—
			3,409	—	**4,780**	—
Total Non-current assets	**(a)**		**28,477**	—	**51,279**	—
Current assets						
Inventories		12)	297	—	345	—
assets		13)	4,146	*203*	4,699	*94*
Current income tax receivables		11)	124	—	191	—
Current financial assets		9)				
Current financial receivables arising from lease contracts			*44*	*24*	*162*	*53*
Securities other than investments, other financial receivables and other current financial assets			*1,651*	*437*	*2,571*	—
Cash and cash equivalents			*2,924*	—	*2,912*	—
			4,619	—	5,645	—
Current assets sub-total			**9,186**	—	**10,880**	—
Discontinued operations /Non-current assets held for sale		14)				
of a financial nature			—	—	—	—
of a non-financial nature			—	—	—	—
			—	—	**—**	—
Total Current assets	**(b)**		**9,186**	—	**10,880**	—
Total Assets	**(a+b)**		**37,663**	—	**62,159**	—

Equity and liabilities

(million euros)		notes	12/31/2024	*of which with related parties*	12/31/2023	*of which with related parties*
Equity		15)				
Share capital issued			11,677	—	11,677	—
less: Treasury shares			(53)	—	(57)	—
Share capital			11,624	—	11,620	—
Additional paid-in capital			—	—	575	—
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year			333	—	1,451	—
Equity attributable to owners of the Parent			11,957	—	13,646	—
Non-controlling interests			1,404	—	3,867	—
Total Equity	(c)		13,361	—	17,513	—
Non-current liabilities						
Non-current financial liabilities for financing contracts and others		16)	8,728	—	21,284	—
Non-current financial liabilities for lease contracts		16)	2,421	—	4,743	*2*
Employee benefits		21)	200	—	511	—
Deferred tax liabilities		11)	61	—	83	—
Provisions		22)	485	—	679	—
Miscellaneous payables and other non-current liabilities		23)	896	—	1,326	*19*
Total Non-current liabilities	(d)		12,791		28,626	
Current liabilities						
Current financial liabilities for financing contracts and others		16)	3,870	*1*	5,771	*2*
Current financial liabilities for lease contracts		16)	523	—	838	*3*
Trade and miscellaneous payables and other current liabilities		24)	7,074	*59*	9,384	*123*
Current income tax payables		11)	44	—	27	—
Current liabilities sub-total			11,511		16,020	
Liabilities directly associated with Discontinued operations/Non-current assets held for sale		14)				
of a financial nature			—	—	—	—
of a non-financial nature			—	—	—	—
			—	—	—	—
Total Current Liabilities	(e)		11,511	—	16,020	—
Total Liabilities	(f=d+e)		24,302	—	44,646	—
Total Equity and Liabilities	(c+f)		37,663	—	62,159	—

SEPARATE CONSOLIDATED INCOME STATEMENT

(million euros)	notes	Year 2024	*of which with related parties*	Year 2023	*of which with related parties*
Revenues	26)	**14,442**	*237*	**14,311**	*77*
Other income	27)	233	*1*	141	*2*
Total operating revenues and other income		**14,675**		**14,452**	
Acquisition of goods and services	28)	(8,017)	*(251)*	(7,445)	*(290)*
Employee benefits expenses	29)	(1,478)	*(54)*	(1,950)	*(57)*
Other operating expenses	30)	(662)	—	(772)	—
Change in inventories		10	—	26	—
Internally generated assets	31)	297	—	334	—
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**4,825**		**4,645**	
of which: impact of non-recurring items	42)	*(100)*		*(656)*	
Depreciation and amortization	32)	(3,189)	—	(3,292)	—
Gains (losses) on disposals of non-current assets	33)	3	—	*(11)*	—
Impairment reversals (losses) on non-current assets	34)	(94)	—	—	—
Operating profit (loss) (EBIT)		**1,545**		**1,342**	
of which: impact of non-recurring items	42)	*(177)*		*(659)*	
Share of losses (profits) of associates and joint ventures accounted for using the equity method	8)	(20)	—	(29)	—
Other income (expenses) from investments		75	—	53	—
Finance income	36)	1,044	*3*	1,235	*1*
Finance expenses	36)	(2,387)	*(4)*	(2,639)	*(4)*
Profit (loss) before tax from continuing operations		**257**		**(38)**	
of which: impact of non-recurring items	42)	*(204)*		*(651)*	
Income tax expense		(174)	—	(56)	—
Profit (loss) from continuing operations		**83**		**(94)**	
Profit (loss) from Discontinued operations / Non current assets held for sale	14)	**(447)**	*(31)*	**(1,013)**	*(186)*
Profit (loss) for the year	37)	**(364)**		**(1,107)**	
of which: impact of non-recurring items	42)	*(12)*		*(670)*	
Attributable to:					
Owners of the Parent		**(610)**		**(1,441)**	
Non-controlling interests		246		334	

(euros)		Year 2024	Year 2023
Earnings per share:	38)		
Basic and diluted earnings per share (EPS)			
Ordinary share		(0.03)	(0.07)
Savings share		(0.03)	(0.07)
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)	(0.06)
savings share		(0.03)	(0.06)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Note 15

(million euros)		Year 2024	Year 2023
Profit (loss) for the year	**(a)**	**(364)**	**(1,107)**
Other components of the Consolidated Statement of Comprehensive Income			
Other items that will not be subsequently reclassified in the Consolidated Statement of Comprehensive Income			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		9	3
Income tax effect		—	—
	(b)	**9**	**3**
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		13	(8)
Income tax effect		—	—
	(c)	**13**	**(8)**
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)**	**22**	**(5)**
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		10	43
Loss (profit) transferred to Separate Consolidated Income Statement		(3)	(9)
Income tax effect		—	(1)
	(f)	**7**	**33**
Hedging instruments:			
Profit (loss) from fair value adjustments		(127)	(382)
Loss (profit) transferred to Separate Consolidated Income Statement		132	192
Income tax effect		(1)	45
	(g)	**4**	**(145)**
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations		(760)	189
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement		—	—
Income tax effect		—	—
	(h)	**(760)**	**189**
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)**	**(749)**	**77**
Total other components of the Consolidated Statements of Comprehensive Income	**(m=e+k)**	**(727)**	**72**
Total comprehensive income (loss) for the year	**(a+m)**	**(1,091)**	**(1,035)**
Attributable to:			
Owners of the Parent		**(1,057)**	**(1,432)**
Non-controlling interests		(34)	397

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Movimenti dal 1° gennaio 2023 al 31 dicembre 2023

(million euros)	Equity attributable to owners of the Parent										
	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 year	**Total**	**Non-controlling interests**	**Total Equity**
Balance at December 31, 2022	**11,614**	**2,133**	**(58)**	**65**	**(2,085)**	**(71)**	**—**	**3,463**	**15,061**	**3,664**	**18,725**
Changes in equity during the year:											
Dividends approved	—	—	—	—	—	—	—	—	**—**	(197)	**(197)**
Total comprehensive income (loss) for the year	—	—	36	(145)	126	(8)	—	(1,441)	**(1,432)**	397	**(1,035)**
LTI granting of treasury shares	6	—	—	—	—	—	—	(6)	**—**	—	**—**
Equity instruments	—	—	—	—	—	—	—	2	**2**	—	**2**
Other changes	—	(1,558)	—	—	—	—	—	1,573	**15**	3	**18**
Balance at December 31, 2023	**11,620**	**575**	**(22)**	**(80)**	**(1,959)**	**(79)**	**—**	**3,591**	**13,646**	**3,867**	**17,513**

Movimenti dal 1° gennaio 2024 al 31 dicembre 2024 Note 15

(million euros)	Equity attributable to owners of the Parent										
	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 year	**Total**	**Non-controlling interests**	**Total Equity**
Balance at December 31, 2023	**11,620**	**575**	**(22)**	**(80)**	**(1,959)**	**(79)**	**—**	**3,591**	**13,646**	**3,867**	**17,513**
Changes in equity during the year:											
Dividends approved	—	—	—	—	—	—	—	—	**—**	(158)	**(158)**
Total comprehensive income (loss) for the year	—	—	16	4	(480)	13	—	(610)	**(1,057)**	(34)	**(1,091)**
NetCo deconsolidation	—	—	—	—	—	—	—	—	**—**	(2,283)	**(2,283)**
LTI granting of treasury shares	4	—	—	—	—	—	—	(4)	**—**	—	**—**
Other changes	—	(575)	—	—	—	—	—	(57)	**(632)**	12	**(620)**
Balance at December 31, 2024	**11,624**	**—**	**(6)**	**(76)**	**(2,439)**	**(66)**	**—**	**2,920**	**11,957**	**1,404**	**13,361**

CONSOLIDATED STATEMENT OF CASH FLOWS

(million euros)	notes	Year 2024	Year 2023
Cash flows from operating activities:			
Profit (loss) from continuing operations		83	(94)
Adjustments for:			
Depreciation and amortization		3,189	3,292
Impairment losses (reversals) on non-current assets including investments		94	(6)
Net change in deferred tax assets and liabilities		82	154
Losses (gains) realized on disposals of non-current assets (including investments)		(73)	(35)
Share of losses (profits) of associates and joint ventures accounted for using the equity method		20	29
Change in employee benefits		(12)	(264)
Change in inventories		(23)	(11)
Change in trade receivables and other net receivables		138	(5)
Change in trade payables		(80)	28
Net change in income tax receivables/payables		72	(12)
Net change in miscellaneous receivables/payables and other assets/ liabilities		(239)	417
Cash flows from (used in) operating activities	**(a)**	**3,251**	**3,493**
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(1,954)	(2,172)
Contributions for plants received		7	759
Acquisition of control of companies or other businesses, net of cash acquired		(4)	19
Acquisitions/disposals of other investments		(34)	(49)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)	(1)	2,897	(1,382)
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of		4,169	—
Proceeds from sale/repayments of intangible, tangible and other non-current assets		280	3
Cash flows from (used in) investing activities	**(b)**	**5,361**	**(2,822)**
Cash flows from financing activities:			
Change in current financial liabilities and other		(862)	241
Proceeds from non-current financial liabilities (including current portion)		1,886	4,037
Repayments of non-current financial liabilities (including current portion)		(8,431)	(4,308)
Changes in hedging and non-hedging derivatives		319	68
Share capital proceeds/reimbursements (including subsidiaries)		—	—
Dividends paid(*)		(159)	(273)
Changes in ownership interests in consolidated subsidiaries		(8)	(6)
Cash flows from (used in) financing activities	**(c)**	**(7,255)**	**(241)**
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	**(d)**	**(1,244)**	**(1,091)**
Aggregate cash flows	**(e=a+b+c+d)**	**113**	**(661)**
Net cash and cash equivalents at beginning of the year	**(f)**	**2,912**	**3,555**
Net foreign exchange differences on net cash and cash equivalents	**(g)**	(101)	18
Net cash and cash equivalents at end of the year	**(h=e+f+g)**	**2,924**	**2,912**
(*) of which from related parties		13	40

(1) This item includes investments in marketable securities amounting to 2,295 million euros in 2024 (2,342 million euros in 2023) and redemptions of marketable securities amounting to (2,673) million euros in 2024((1,995) million euros in 2023), relating to TIM S.A. and Telecom Italia Finance S.A..

Purchases of intangible, tangible and rights of use assets

(milioni di euro)	*notes*	Year 2024	Year 2023
Purchase of intangible assets	5)	(855)	(838)
Purchase of tangible assets	6)	(1,194)	(1,278)
Purchase of right of use assets	7)	(800)	(716)
Total purchases of intangible, tangible and rights of use assets on an accrual basis(*)		(2,849)	(2,832)
Change in payables arising from purchase of intangible, tangible and rights of use assets		895	660
Total purchases of intangible, tangible and rights of use assets on a cash basis		(1,954)	(2,172)
(*) of which from related parties		13	40

Additional Cash Flow information

(million euros)	Year 2024	Year 2023
Income taxes (paid) received	(30)	(71)
Interest expense paid	(1,839)	(1,931)
Interest income received	553	718
Dividends received	19	20

Analysis of Net Cash and Cash Equivalents

(million euros)	Year 2024	Year 2023
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	2,912	3,555
Bank overdrafts repayable on demand	—	—
	2,912	**3,555**
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	2,924	2,912
Bank overdrafts repayable on demand	—	—
	2,924	**2,912**

The supplementary disclosures required by IAS 7 are provided in Note 17 "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.

The TIM Group's Consolidated Financial Statements at December 31, 2024, have been prepared on a going concern basis (further details are provided in the Note "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 2024, 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, 2024. See the Note "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).

It should also be noted that the economic results of the assets relating to TIM's fixed network (primary network and wholesale business), FiberCop S.p.A. and Telenergia S.r.l. ("**NetCo**"), the disposal of which was finalized on July 1, 2024, are classified under IFRS 5 as Available-for-sale Assets, as all the conditions, including obtaining the authorizations, necessary for the completion of the disposal have been met.

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, NetCo's reclassification as an Available-for-sale Asset has led to a reclassification of the corresponding figures for 2023 in the separate consolidated income statement and in the consolidated cash flow statement, as required by IFRS 5. 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 (FiberCop and Telenergia).

Finally, it should be noted that the effects arising from the NetCo transaction are shown separately in the 2024 changes in balance sheet items ("Discontinued Operations").

For details on the NetCo transaction, please refer to the description in Note 14 "Discontinued operations/non-current assets held for sale."

The TIM Group's consolidated financial statements at December 31, 2024 are presented in euros (rounded to the nearest million, unless otherwise indicated).

The publication of the consolidated financial statements for the year ended December 31, 2024 of the TIM Group was approved by resolution of the Board of Directors on March 5, 2025.

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 losses (profits) of associates and joint ventures accounted for using the equity method
EBIT – Operating profit	
+/-	Impairment losses (reversals) of non-current assets
+/-	c) 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	

- 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, 2023, are represented for the part relating to the telecommunications business, on the basis of the related geographic location (Domestic and Brazil). It should also be noted that the economic results of the assets relating to TIM's fixed network (primary network and wholesale business), FiberCop S.p.A. and Telenergia S.r.l. ("NetCo"), the disposal of which was finalized on July 1, 2024, are classified under IFRS 5 as Available-for-sale Assets, as all the conditions, including obtaining the authorizations, necessary for the completion of the disposal 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 activities of the Telecom Italia Sparkle Group which, at international level (in Europe, the Mediterranean and South America), develops fiber optic networks for wholesale customers, 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 the process described above has been completed, and also taking into account the sale of NetCo on July 1, 2024, an assessment will be carried out 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 Consolidated Financial Statements for the year 2024 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);
  - macroeconomic changes in the Italian, European and Brazilian markets and 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";
- the policy for financial risk management (market risk, credit risk and liquidity risk), as described in the Note "Financial risk management".

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.

Principles of consolidation

The consolidated financial statements include the financial statements of all subsidiaries from the date on which control over such subsidiaries commences until the date on which control ceases.

The date of all the subsidiaries' financial statements coincides with that of the Parent company, TIM.

Control exists when the Parent company TIM S.p.A. has all the following:

- decision-making power over the investee, which includes the ability to direct the relevant activities of the investee, i.e. the activities that significantly affect the investee's returns;
- entitlement to the variable profits or losses commensurate with its shareholding in the investee;
- the ability to use its decision-making to determine the amount of the returns relating to its shareholding in the entity.

TIM assesses whether it controls an investee if facts and circumstances indicate that there are changes in one or more of the three control elements.

In the preparation of the consolidated financial statements, the global amounts of the assets, liabilities, costs and revenues of the consolidated companies are recognized on a line-by-line basis, while the share of equity and the year's result of non-controlling interest is recognized is disclosed separately under appropriate items in the consolidated statements of financial position, in the separate consolidated income statement and in the consolidated statements of comprehensive income.

Under IFRS 10 (Consolidated financial statements), the comprehensive loss (including the profit or loss for the year) is attributed to the owners of the parent and to non-controlling interest even when the equity of non-controlling interest has a deficit balance.

All intragroup balances and transactions and any gains and losses arising from intragroup transactions are eliminated in consolidation.

The carrying amount of the investment in each subsidiary is eliminated against the corresponding share of equity in each subsidiary, after adjustment, if any, to fair value at the date of acquisition of control. At that date, goodwill is recorded as an intangible asset, as described below, whereas any profit from a bargain purchase (or negative goodwill) is recognized in the separate consolidated income statement.

All the assets and liabilities expressed in currencies other than euro of foreign consolidated entities that are included in the consolidation are translated using the exchange rates in effect at the reporting date (the current exchange rate method), while the related revenues and costs are translated at the average exchange rates for the year. Exchange differences resulting from the application of this method are classified as equity until the entire disposal of the investment or upon loss of control of the foreign subsidiary. Upon partial disposal, without losing control, the proportionate share of the cumulative amount of exchange differences related to the disposed interest is recognized as non-controlling interest equity. The cash flows of foreign consolidated subsidiaries expressed in currencies other than euro included in the consolidated statements of cash flows are translated into euro at the average exchange rates for the year.

Goodwill and fair value adjustments arising from the allocation of the purchase price of a foreign entity are recorded in the relevant foreign currency and are translated using the year-end exchange rate.

Under IFRS 10, changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of controlling and non-controlling interests shall be adjusted to reflect the changes in their related interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

Under IFRS 10, the parent company in case of loss of control of a subsidiary:

- derecognizes:
  - the assets (including any goodwill) and the liabilities;
  - the carrying amount of any non-controlling interest;
- recognizes:
  - the fair value of any consideration received;
  - the fair value of any residual investment retained in the former subsidiary;
  - any profit or loss resulting from the transaction, in the separate consolidated income statement;
  - the reclassification to the separate consolidated income statement of the amounts previously recognized in other comprehensive income in relation to the subsidiary.

In the consolidated financial statements, investments in associates and joint ventures are accounted for using the equity method, as provided, respectively, by IAS 28 (Investments in Associates and Joint Ventures) and IFRS 11 (Joint Arrangements).

Associates are enterprises in which the Group holds at least 20% of the voting rights or exercises significant influence, but no control or joint control over their financial and operating policies.

A joint venture is a joint control arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the entity.

Joint control is the contractually agreed sharing of control of a business that exists only when decisions about the relevant business require the unanimous consent of the parties sharing control.

Associates and joint ventures are included in the consolidated financial statements from the date on which significant influence or joint control commences until the date on which significant influence or joint control ceases.

Under the equity method, on initial recognition the investment in an associate or joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the separate consolidated income statement. Dividends received from an investee reduce the carrying amount of the investment.

Adjustments to the carrying amount may also be necessary for changes in the investee's other comprehensive income (i.e. those arising from foreign exchange translation differences). The investor's share of those changes is recognized in the investor's other comprehensive income.

If an investor's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the investor discontinues recognizing its share of further losses. After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the investor resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Any other long-term interests (some types of preference shares and long-term loans) in an associate or joint venture are measured in accordance with IFRS 9.

Gains and losses resulting from "upstream" and "downstream" transactions between an investor (including its consolidated subsidiaries) and its associate or joint venture are recognized in the investor's financial statements only to the extent of unrelated investors' interests in the associate or joint venture.

The investor's share of profits and losses of the associate or joint venture arising from said transactions is eliminated.

Intangible assets

Goodwill

In accordance with IFRS 3 (Business Combinations), goodwill is recognized in the financial statements at the date of acquisition of control of a business and is determined as the excess of (a) over (b), as follows:

a) the aggregate of:
  - the consideration transferred (measured in accordance with IFRS 3; it is generally recognized on the basis of the fair value at the acquisition date);

- the amount of any non-controlling interest in the acquiree measured proportionally to the non-controlling interest share of the acquiree's identifiable net assets shown at the related fair value;
- in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree;

b) the fair value of the identifiable assets acquired net of the identifiable liabilities assumed, measured at the date of acquisition of control.

IFRS 3 requires, inter alia, the following:

- incidental costs incurred in connection with a business combination to be charged to the separate income statements;
- in a business combination achieved in stages, the acquirer to remeasure its previously held equity interest in the acquiree at its fair value at the date of acquisition of control and recognize the resulting gain or loss, if any, in the separate income statements.

Goodwill is classified in the statement of financial position as an intangible asset with an indefinite useful life.

Goodwill initially recognized is subsequently reduced only by cumulative impairment losses (for more details, see the section "Impairment of intangible assets, tangible assets and rights of use assets - Goodwill", below). In case of loss of control of a subsidiary, the related amount of goodwill is taken into account in calculating the gain or loss on disposal.

Development costs

Costs incurred internally for the development of new products and services represent either intangible assets (mainly costs for software development) or tangible assets. These costs are capitalized only when all the following conditions are satisfied: i) the cost attributable to the development phase of the asset can be measured reliably, ii) there is the intention, the availability of financial resources and the technical ability to complete the asset and make it available for use or sale, and iii) it can be demonstrated that the asset will be able to generate future economic benefits. Capitalized development costs comprise only incurred expenditures that can be attributed directly to the development process for new products and services.

Capitalized development costs are depreciated/amortized systematically over the estimated product or service life, so that the depreciation/amortization method reflects the way in which the asset's future economic benefits are expected to be consumed by the entity.

Other intangible assets with a finite useful life

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

Such assets are recorded at purchase or production cost and amortized on a straight-line basis over their estimated useful lives; the amortization rates are reviewed annually and revised if the current estimated useful life is different from that estimated previously. The effect of such changes is recognized prospectively in the separate consolidated income statement.

Tangible assets

Property, plant and equipment

Property, plant and equipment are recognized at purchase or production cost. Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in the related item of property, plant and equipment. All other expenditures are recognized in the separate consolidated income statement as incurred.

The cost of these assets also includes the expected costs of dismantling the asset and restoring the site, if a legal or constructive obligation exists. The corresponding liability is recognized at its present value as a provision in the statement of financial position. The recognition in the separate consolidated income statement of the capitalized expenditure is done over the useful life of the related tangible assets through their depreciation.

The calculation of estimates for dismantling costs, discount rates and the dates in which such costs are expected to be incurred is reviewed annually at each financial year-end. Changes in the above liability must be recognized as an increase or decrease of the cost of the related asset; the amount deducted from the cost of the asset must not exceed its carrying amount. The excess, if any, is recorded immediately in the separate consolidated income statement, conventionally under the line item "Depreciation and Amortization".

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Depreciation rates are reviewed annually and revised if the current estimated useful life is different from that estimated previously. The effect of such changes is recognized prospectively in the separate consolidated income statement.

Land, including land pertaining to buildings, is not depreciated.

Rights of use assets

In accordance with IFRS 16, lease liabilities are presented through the recognition of a financial liability in the statement of financial position consisting in the present value of future lease payments, against the recognition of the right of use of the leased asset.

On the commencement date of the lease, the right of use is recognized at cost including: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, initial direct costs incurred for the signature of the lease and the present value of the estimated restoration and dismantling costs set out in the lease, less any incentives.

Subsequently, the right of use is amortized over the term of the lease (or the useful life of the asset, if lower), subject to impairment and adjusted for any remeasurement of the lease liability.

The TIM Group attracts, under the scope of application of IFRS 16, if the criteria and the requirements laid down by the standard are met, the contract types concerning cloud software resources and the spectrum of transmission frequencies on optic fiber carriers. This approach is functional to the very innovative specificity of these types of contract, concerning hardware infrastructure and optical transmission as well as technologically-advanced software services.

Capitalized borrowing costs

Under IAS 23 (*Borrowing Costs*), the Group capitalizes borrowing costs only if they are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time (conventionally more than 12 months) to get ready for its intended use or sale.

Capitalized borrowing costs are recorded in the separate consolidated income statement and deducted directly from the "finance expenses" line item to which they relate.

Impairment of intangible, tangible and rights of use assets

Goodwill

Goodwill is tested for impairment at least annually or more frequently whenever events or changes in circumstances indicate that goodwill may be impaired, as set forth in IAS 36 (Impairment of Assets); however, when the conditions that gave rise to an impairment loss no longer exist, the original amount of goodwill is not reinstated.

The test is generally conducted at the end of every year, so the date of testing is the year-end closing date of the financial statements. Goodwill acquired and allocated during the year is tested for impairment at the end of the year in which the acquisition and allocation took place.

For the purpose of verifying its recoverability, goodwill is allocated, from the acquisition date, to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the acquisition.

If the carrying amount of the cash-generating unit (or group of cash-generating units) exceeds the recoverable amount, an impairment loss is recognized in the separate consolidated income statement. The impairment loss is first recognized as a deduction of the carrying amount of goodwill allocated to the cash-generating unit (or group of cash-generating units) and only subsequently applied to the other assets of the cash-generating unit in proportion to their carrying amount, up to the recoverable amount of the assets with a finite useful life. The recoverable amount of a cash-generating unit (or group of cash-generating units) to which goodwill is allocated is the higher between the fair value less costs to sell and its value in use.

The fair value net of disposal costs is estimated on the basis of the income approach, insofar as this allows for the reflection of the benefits deriving from a new, different business structure in the future. In particular, the fair value net of disposal costs is based on the current value of the forecast cash flow, applying a discounting rate that reflects current market assessments of the time value of money and the risks specific to the asset. The future cash flows are those arising from an explicit time horizon between three and five years, as well as those extrapolated to estimate the terminal value.

In calculating the value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The future cash flows are those arising from an explicit time horizon between three and five years, as well as those extrapolated to estimate the terminal value. The long-term growth rate used to estimate the terminal value of the cash-generating unit (or group of cash-generating units) is assumed not to be higher than the average long-term growth rate of the segment, country or market in which the cash-generating unit (or group of cash-generating units) operates.

The value in use of cash-generating units denominated in foreign currency is estimated in the local currency by discounting cash flows to present value on the basis of an appropriate rate for that currency. The present value obtained is translated to euro at the spot rate on the date of the impairment test (in the case of the TIM Group, the closing date of the financial statements).

Future cash flows are estimated by referring to the current operating conditions of the cash-generating unit (or group of cash-generating units) and, therefore, do not include either benefits originating from future restructuring for which the entity is not yet committed, or future investments for the improvement or optimization of the cash-generating unit.

For the purpose of calculating impairment, the carrying amount of the cash-generating unit is established based on the same criteria used to determine the recoverable amount of the cash-generating unit, excluding surplus assets (that is, financial assets, deferred tax assets and net non-current assets held for sale) and includes the goodwill attributable to non-controlling interest (minority shareholders).

After conducting the goodwill impairment test for the cash-generating unit (or groups of cash-generating units), a second level of impairment testing is carried out which includes the corporate assets which do not generate positive cash flows and which cannot be allocated by a reasonable and consistent criterion to the single units. At this second level, the total recoverable amount of all cash-generating units (or groups of cash-generating units) is compared to the carrying amount of all cash-generating units (or groups of cash-generating units), including also those cash-generating units to which no goodwill was allocated, and the corporate assets.

Tangible and intangible assets with finite useful lives and rights of use assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset – whether intangible or tangible with finite useful lives or a right of use – may be impaired. Both internal and external sources of information are used for this purpose. Internal sources include: obsolescence or physical deterioration, and significant changes in the use of the asset and the operating performance of the asset compared to estimated performance. External sources include: External sources include the market value of the asset, any changes in technology, markets or laws, trends in market interest rates and the cost of capital used to evaluate investments, and an excess of the carrying amount of the net assets of the Group over market capitalization.

If there is any indication that an asset – whether tangible or intangible with finite useful lives or a right of use – has been impaired, then its carrying amount is reduced to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. In calculating the value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or right. If it is not possible to estimate the recoverable amount, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment losses are recognized in the separate consolidated income statement.

When the reasons for the impairment subsequently cease to exist, the carrying value of the asset/right-of-use or of the cash generating unit is increased up to the new estimate of the recoverable amount which, however, cannot exceed the amount that would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized as income in the separate consolidated income statement.

Financial instruments

Business models for financial assets management

For the management of trade receivables, TIM Group Management has identified different business models based on the specific nature of the receivables, the type of counterparty and collection times. This was in order to optimize the management of working capital through the constant monitoring of the payment performance of customers, the steering of credit collection policies, and the management of programs for the disposal of receivables, and the activation of factoring consistent with financial planning requirements.

The business models adopted are:

- *Hold to Collect*: receivables usually held to maturity, such as trade receivables due from large customers and the OLOs for the Domestic Business Unit, and all receivables for the Brazil Business Unit; these instruments fall within the IFRS 9 category “Assets measured at amortized cost”. These receivables can be transferred, albeit not recurrently, if this is needed to optimize finances;
- *Hold to Collect and Sell*: receivables usually traded massively and on a recurring basis, such as, for the Domestic Business Unit, receivables due from active consumer, small and business customers held for sale; these instruments fall under IFRS 9 category "Financial assets measured at fair value through other comprehensive income". As required by IFRS 9, the related reserve is reversed to the separate consolidated income statement when disposed of or impaired.

As part of managing financial assets other than trade receivables, the TIM Group's Management identified its business models on the basis of how the financial instruments are managed and how their cash flows are used. This is done to ensure an adequate level of financial flexibility and to best manage, in terms of risks and returns, the financial resources immediately available through the treasuries of Group companies and in accordance with the strategies set forth by the Parent TIM.

The business models adopted are:

- *Hold to Collect*: financial instruments used to absorb temporary cash surpluses; such instruments are low risk and mostly held to maturity; they are measured at amortized cost;
- *Hold to Collect and Sell*: monetary or debt instruments used to absorb short/medium-term cash surpluses; such instruments are low risk and generally held to maturity, or otherwise sold to cover specific cash requirements; they are measured at fair value through other consolidated comprehensive income;
- *Hold to Sell*: monetary, debt and equity trading instruments used to dynamically manage cash surpluses not managed under the business models identified above; such instruments are higher risk and traded repeatedly over time; they are measured at fair value through the separate consolidated income statement.

Other investments

Other investments (other than those in subsidiaries, associates and joint ventures) are classified as non-current or current assets if they will be kept in the Group's portfolio for a period of more or not more than 12 months, respectively.

Other investments are classified as “financial assets measured at fair value through consolidated profit or loss” (FVTPL), as current assets.

At the purchase time of each investment, IFRS 9 provides for the irrevocable option to recognize these investments in "financial assets measured at fair value through other consolidated comprehensive income" (FVTOCI) as non-current or current assets.

The other investments classified as “financial assets measured at fair value through other comprehensive income” are measured at fair value; changes in the fair value of these investments are recognized in a special equity reserve under the other components of the statements of comprehensive income (Reserve for financial assets measured at fair value through other comprehensive income), without reclassification to the separate income statements when the financial asset is disposed of or impaired. Dividends are recognized in the separate consolidated income statement.

Changes in the value of other investments classified as "financial assets at fair value through profit or loss" are recognized directly in the separate consolidated income statement.

Securities other than investments

Securities other than investments, included among non-current or current assets, depending on the business model adopted and the contractual flows envisaged, fall among financial assets measured at amortized cost, or measured at fair value through other comprehensive income or at fair value though profit or loss.

Securities other than investments classified as current assets are those that, by decision of the directors, are intended to be kept in the Group’s portfolio for a period of not more than 12 months, and are classified:

- as “financial assets measured at amortized cost” (AC) when held to maturity (originally more than 3 months but less than 12 months, or, although they had an original maturity of more than 12 months, they have been bought in a period during which maturity was included between 3 and 12 months);
- as "financial assets measured at fair value through other consolidated comprehensive income" (FVTOCI) when held in the scope of a business model whose objective is to sell the financial asset and/or collect the contractual cash flows. The consolidated "Reserve for financial assets measured at fair value through other comprehensive income" is reversed to the separate consolidated income statement when the financial asset is disposed of or impaired;
- as “financial assets measured at fair value through consolidated profit or loss" (FVTPL) in the other cases.

Cash and cash equivalents

Cash and cash equivalents are recorded, according to their nature, at nominal value or amortized cost.

Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of change in value and their original maturity or the remaining maturity at the date of purchase does not exceed 3 months.

Impairment of financial assets

At every closing date, assessments are made as to whether there is any objective evidence that a financial asset or a group of financial assets has been impaired.

The impairment of financial assets is based on the expected credit loss model.

Specifically:

- impairment on trade receivables and on contract assets is carried out using the simplified approach that involves estimating the loss expected over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions;
- the impairment of financial assets other than trade receivables is calculated on the basis of a general model which estimates expected credit losses over the following 12 months or over the residual life of the asset in the event of a substantial worsening of its credit risk.

Derivatives

As allowed by IFRS 9, the TIM Group decided to continue to apply the hedge accounting provisions contained in IAS 39 instead of those of IFRS 9.

Derivatives are used by the TIM Group to manage its exposure to exchange rate and interest rate risks and to diversify the parameters of debt, so that costs and volatility can be reduced within pre-established operational limits.

In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when:

- at the inception of the hedge, the hedging relationship is formally designated and documented;
- the hedge is expected to be highly effective;
- its effectiveness can be reliably measured;
- the hedge is highly effective throughout the financial reporting periods for which it is designated.

All derivative financial instruments are measured at fair value in accordance with IAS 39.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of an asset or liability due to a particular risk, the profit or loss from re-measuring the hedging instrument at fair value is recognized in the separate consolidated income statement. The profit or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the separate consolidated income statement.
- Cash flow hedge – Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of an asset or liability or a highly probable expected transaction, the effective portion of any gain or loss arising from the fair value adjustment of the derivative financial instrument is recognized directly in a specific equity reserve (Reserve for hedging instruments). The cumulative profit or loss is removed from equity and recognized in the separate consolidated income statement during the same business years in which the hedged transaction is recognized in the separate consolidated income statement. The profit or loss associated with the ineffective portion of a hedge is recognized in the separate consolidated income statement immediately. If the hedged transaction is no longer considered to be probable, the gains or losses not yet realized included in the equity reserve are immediately recognized in the separate consolidated income statement.

For derivatives for which a hedging relationship has not been designated, changes in value compared to initial recognition are recognized directly in the separate consolidated income statement.

Financial liabilities

Financial liabilities include financial payables, including payables for advances on assignments of receivables where the assignment does not transfer substantially all the risks and rewards, as well as other financial liabilities, including derivative financial instruments and liabilities in respect of assets recognized under finance leases recognized in accordance with IFRS 16.

In accordance with IFRS 9, they also include trade and other payables.

Trade payables also include supplier financing agreements. For more details about these agreements, see Note 24 “Trade and miscellaneous payables and other current liabilities”.

Financial liabilities other than derivatives are initially recognized at fair value; and subsequently measured at amortized cost.

Financial liabilities hedged by derivative instruments designed to manage exposure to changes in fair value of the liabilities (fair value hedge derivatives) are measured at fair value in accordance with the hedge accounting principles of IAS 39: the profits and losses deriving from subsequent fair value adjustments, only as regards the covered component, are recognized in the separate consolidated income statement and counterbalanced by the effective portion of the profit or loss deriving from the corresponding fair value measurements of the hedge instrument.

Financial liabilities hedged by derivative instruments designed to manage exposure to variability in cash flows (cash flow hedge derivatives) are measured at amortized cost in accordance with the hedge accounting principles of IAS 39.

Transfer of receivables

The TIM Group transfers receivables through factoring and securitization agreements. These transfers, in the majority of cases, are characterized by the transfer of substantially all the risks and rewards of ownership of the receivables to third parties, therefore meeting the requirements of IFRS 9 for derecognition. Special service agreements, under which the purchasers grant TIM S.p.A. a mandate to oversee the collection and management of receivables, have been entered into to maintain the relationship between the Company and its customers.

Inventories

Inventories are measured at the lower of purchase and production cost and estimated realizable value; the cost is determined using the weighted average cost formula for each movement, while the estimated realizable value is determined by observing general prices at the end of the year. Provision is made for obsolete and slow-moving inventories based on their expected future use and estimated realizable value.

Non-current assets held for sale/Discontinued operations

Non-current assets held for sale or discontinued groups whose carrying amount will mainly be recovered through sale, rather than through ongoing use, are classified as held for sale and shown separately from other assets and liabilities in the consolidated statements of financial position. The corresponding amounts for the previous year are not reclassified in the consolidated statements of financial position, but are instead shown separately in a specific column for changes in assets and liabilities in the year in which non-current assets held for sale or discontinued groups are classified as such.

Discontinued operations are a component of an entity that has been terminated or classified as held for sale and that:

- represents a major business line or geographical area of operation; or
- is part of a single coordinated plan to discontinue a separate major line of business or geographical area of operation; or
- is a subsidiary acquired exclusively with a view to resale.

The results arising from Discontinued Operations – whether discontinued or classified as held for sale – are shown separately in the separate consolidated income statement, net of tax effects. The corresponding values for the previous periods, where present, are reclassified and reported separately in the separate consolidated income statement, net of tax effects, for comparative purposes.

Non-current assets held for sale or discontinued groups classified as held for sale are first recognized in compliance with the appropriate IFRS applicable to each specific asset and liability, and subsequently measured at the lower of the carrying amount and fair value, less cost to sell.

Any subsequent impairment losses are recognized as a direct adjustment to non-current assets (or discontinued groups) classified as held for sale, with a contra-entry in the separate consolidated income statement.

An upward revision of value is, instead, recognized for each subsequent increase in the fair value of an asset less cost to sell, but not in excess of the previously recognized cumulative impairment loss.

As required by IFRS 5 (Non-current assets held for sale and discontinued operations), an entity shall not depreciate (or amortize) non-current assets classified as held for sale or being part of a discontinued group.

Finance expenses and other expenses attributable to the liabilities of a discontinued group classified as held for sale must continue to be recognized.

Employee benefits

Provision for employee severance indemnity

Employee severance indemnity, mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, is deferred compensation based on the employee's years of service and on the compensation earned by the employee during the service period.

Under IAS 19 (Employee Benefits), the employee severance indemnity, so calculated, is considered a "Defined benefit plan" and the related liability to be recognized in the statement of financial position (Provision for employee severance indemnities) is determined by actuarial calculations.

The remeasurements of actuarial gains and losses are recognized in other components of the Consolidated Statements of Comprehensive income. Service cost of Italian companies that employ less than 50 employees, as well as interest expenses related to the "time value" component of the actuarial calculations (the latter classified as Finance expenses), are recognized in the separate consolidated income statement.

Starting from January 1, 2007, the Italian Law gave employees the choice to either allocate their accruing indemnity to supplementary pension funds or it as an obligation of the Company. Companies that employ at least 50 employees must transfer the employee severance indemnity to the "Treasury fund" managed by INPS, the Italian Social Security Institute. Consequently, the Group's obligation to INPS and the contributions to supplementary pension funds take the form, under IAS 19, of "Defined contribution plans".

Equity compensation plans

The companies of the Group provide additional benefits to certain managers of the Group through equity compensation plans (for example stock options and long-term incentive plans). The above plans are recognized in accordance with IFRS 2 (Share-Based Payment).

In accordance with IFRS 2, such plans represent a component of the beneficiaries' compensation. Therefore, for the plans that provide for compensation in equity instruments, the cost is represented by the fair value of such instruments at the grant date, and is recognized in the separate consolidated income statement in "Employee benefits expenses" over the period between the grant date and vesting date with a contra-entry to an equity reserve denominated "Other equity instruments". Changes in the fair value subsequent to the grant date do not affect the initial measurement. At the end of each year, adjustments are made to the estimate of the number of rights that will vest up to maturity. The impact of the change in estimate is recorded as an adjustment to "Other equity instruments" with a contra-entry to "Employee benefits expenses".

The portion of the plans that specifies the payment of compensation in cash is recognized in liabilities as a contra-entry to "Employee benefits expenses"; at the end of each year such liability is measured at fair value.

Provisions

The Group records provisions for risks and charges when, having a current legal or constructive obligation to a third party, as a result of a past event, an outflow of Group resources is likely to be required to meet that obligation, and when the amount of the obligation can be estimated reliably. Provisions for risks and charges also include those established in the event that the company should stipulate contracts that thereafter became onerous, the non-discretionary costs of which necessary to fulfill the commitments made, exceeding the economic benefits expected from such contracts.

If the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, provisions to be accrued are the present value of the expected cash flows, taking into account the risks associated with the obligation. The increase in the provision due to the passage of time is recognized in the separate consolidated income statement as "Finance expenses".

Government grants

Government grants are recognized when there is a reasonable certainty that they will be received and that the Group will satisfy all the conditions established for their granting by the government, government agencies and equivalent local, national or international entities.

Government grants are systematically recognized in the separate income statements over the periods in which the Group recognizes the expenses that the grants are intended to offset as costs.

Government grants related to assets received for the acquisition and/or construction of non-current tangible assets are recorded as deferred income in the statement of financial position and systematically credited to the separate income statements over the useful life of the systems the grants relate to.

Treasury shares

Treasury shares are recognized as a deduction from equity. In particular, the treasury shares are reported as a deduction from the share capital issued in the amount corresponding to the "accounting par value", that is the ratio of total share capital and the number of issued shares, while the excess cost of acquisition over the accounting par value is presented as a deduction from "Other reserves and retained earnings (accumulated losses), including profit (loss) for the year".

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the statement of financial position date. Exchange differences arising from the settlement of monetary items or from their conversion at rates different from those at which they were initially recorded during the year or at the end of the prior year are recognized in the separate consolidated income statement.

Revenues

Revenues are the gross inflows of economic benefits during the period arising in the course of the ordinary activities of an entity. Amounts collected on behalf of third parties, such as sales taxes, goods and services taxes and value added taxes, are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenues.

The process underlying the recognition of revenues follows the steps set out in IFRS 15:

- **identification of the contract**: takes place when the parties approve the contract (with commercial substance), and identify the respective rights and obligations: in other terms, the contract must be legally binding, the rights to receive goods and/or services and the terms of payment can be clearly identified, and the Group considers receipt of payment as probable;
- **identification of the performance obligations**: the main performance obligations identified, i.e. promises to transfer goods and services that are distinct, are services rendered (including voice and data traffic and ICT solutions) to retail customers, services rendered to wholesale customers, and sale of products;
- **determination of the transaction price**: this is the total amount contracted with the other party regarding the entire contractual term; the Group has determined that the contractual term is the one arising from the contractual obligations between the parties or, in lack of these obligations, it is by convention one month;
- **allocation of the transaction price to the performance obligations**: the allocation is made proportionately to the respective stand-alone selling prices calculated based on the list prices (if present) or estimated by applying an appropriate margin to the cost of purchase/production of the good/service.

  Revenues from activating the connectivity service are not a performance obligation; they are therefore allocated to the contractual performance obligations (typically to services).

  For offerings which include the sale of devices and service contracts (bundle offerings), the Group allocates the contractual transaction price to the performance obligations of the contract, proportionately to the stand-alone selling prices of the single performance obligations;
- **recognition of revenues**: revenues are stated net of discounts, allowances, and returns in connection with the characteristics of the type of revenue:
  - **Revenues from services rendered**

    Revenues from services rendered are recognized in the separate income statements according to the stage of completion of the service, that is based on actual consumption.

    Traffic revenues from interconnection and roaming are reported gross of the amounts due to other TLC operators.

    Revenues for delivering information or other content are recognized on the basis of the amount invoiced to the customer, when the service is rendered directly by the Group. In the event that the Group is acting as agent (for example, for non-geographic numbers) only the commission received from the content provider is recognized as revenue.

    Revenues from prepaid traffic are recorded on the basis of effective consumption. Deferred revenues for traffic already collected but not yet consumed are recorded in “Trade and miscellaneous payables and other current liabilities” in the consolidated statements of financial position.

    Revenues for services rendered are generally invoiced and collected bimonthly/monthly for retail customers while for wholesale customers, they are invoiced on a monthly basis and due 40 or 60 days after the date of issue, depending on whether they relate to the mobile component (40 days) or fixed component (60 days).
  - **Revenues from sales**

    Revenues from sales (telephone products and others) are recognized upon delivery when control of the assets is transferred to the customers.

- The devices sold separately from the services are invoiced at the time of delivery; collection takes place on demand or based on installment plans (up to 48 monthly installments). The devices sold as part of bundle offerings are invoiced at the time of delivery and usually collected in 24, 30 or 48 monthly installments, depending on the type of offer and customer cluster. With specific reference to the mobile products (smartphones and tablets) and certain types of fixed-line products sold to consumer customers, collection is made at the time of sale through the financial company TIMFin, which disburses the loan to the customer.

The recognition of revenues can generate the recognition of an asset or liability deriving from contracts. In particular:

- **Contract assets** are the right to a consideration in exchange for goods or services that have been transferred to the customer, when the right is conditioned on something other than the passage of time;
- **Contract liabilities** are the obligation to transfer goods or services to the customer for which the Group has received (or for which it is due) a consideration from the customer.

Contract costs (incremental costs of obtaining a contract and costs to fulfill a contract; mainly technical activation costs and costs for sales network commissions) are deferred and recognized through separate consolidated income statement depending on the expected term of the contractual relationship with the customers. The TIM Group avails of the practical expedient, permitted under IFRS 15, of recognizing the incremental costs of obtaining a contract in the consolidated income statement if the amortization period is one year or less.

The recoverability of contract assets and deferred costs is periodically assessed.

Research and advertising costs

Research and advertising costs are directly expensed to the separate consolidated income statement in the year in which they are incurred.

Finance income and expenses

Finance income and expenses are recognized on an accrual basis and include: interest accrued on the related financial assets and liabilities using the effective interest rate method; changes in the fair value of derivatives and other financial instruments measured at fair value through the income statement; gains and losses on foreign exchange and financial instruments (including derivatives).

Dividends

Dividends received from companies other than subsidiaries, associates and joint ventures are recognized in the separate consolidated income statement on an accrual basis, i.e. in the year in which they become receivable following the resolution by the shareholders' meeting for the distribution of dividends of the investee companies.

Dividends payable to third parties are reported as a change in equity in the year in which they are approved by the shareholders' meeting.

Income tax expense (current and deferred)

Income tax expense includes all taxes calculated on the basis of the taxable income of the companies of the Group.

Current and deferred income tax expense is calculated using all the elements and information available at the reporting date, taking into account current laws and considering all the elements that could give rise to uncertainties in the determination of the amounts due to the tax authorities, as provided for in IFRIC 23.

Income tax expense is recognized in the separate consolidated income statement, except to the extent that they relate to items directly charged or credited to equity, in which case the related tax effect is recognized in the relevant equity reserves. The amount of the income tax expense relating to each item included as "Other components of the Consolidated Statements of Comprehensive income" is indicated in the Consolidated Statement of comprehensive income.

The provisions for taxes that could arise from the remittance of the undistributed earnings of subsidiaries are made only where there is the actual intention to remit such earnings.

Deferred tax liabilities/assets are recognized using the "Balance sheet liability method". They are calculated on all the temporary differences that arise between the taxable base of assets and liabilities and the related carrying amounts in the consolidated financial statements, except for differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future. Deferred tax assets relating to unused tax loss carryforwards are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Tax assets and liabilities are offset, separately for current and deferred taxes, when income tax expense is levied by the same tax authority and when there is a legally enforceable offsetting right. Tax assets and deferred tax liabilities are determined by adopting the tax rates expected to be applicable in the respective jurisdictions of the countries in which the Group companies operate, in the years in which those temporary differences are expected to be recovered or settled.

The other taxes not related to income are included in "Other operating expenses".

Earnings per share

Basic earnings per ordinary share is calculated by dividing the Group's profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year, and excluding treasury shares. Similarly, basic earnings per savings share is calculated by dividing the Group's profit attributable to savings shares by the weighted average number of savings shares outstanding during the year.

For diluted earnings per ordinary share, the weighted average number of shares outstanding during the year is adjusted by assuming the subscription of all the potential deriving shares - for example, by exercising rights on shares with dilutive effects. The Group profit is also adjusted to reflect the impact of these transactions net of the related tax effects.

Use of accounting estimates

The preparation of consolidated financial statements and related notes in conformity with IFRS requires management to make estimates and assumptions based also on subjective judgments, past experience and assumptions considered reasonable and realistic in relation to the information known at the time of the estimate. Such estimates have an effect on the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as on the amount of revenues and costs during the year. Actual results could differ, even significantly, from those estimates owing to possible changes in the factors considered in the determination of such estimates. Estimates are reviewed periodically.

The most significant accounting estimates that involve a high level of subjective assumptions and judgments by directors are set out below.

Financial statements area	**Accounting estimates**
Goodwill impairment	The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method, which uses assumptions to estimate cash flows. The fair value net of disposal costs is based on the current value of forecast cash flow, calculated using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, as well as the expected future cash flows and the growth rate used for the extrapolation. The estimate of expected cash flows took into account the risks arising from climate change (as explained in the section 'Main Risks and Uncertainties - Risks Related to Key Sustainability Issues' in the Report on Operations), which at present do not have a significant impact on the Group's business model. The key assumptions used to determine the recoverable amount for the different cash-generating units, including a sensitivity analysis, are detailed in the Note “Goodwill”.
Impairment of tangible and intangible assets with finite useful lives and right of use assets	At the end of each reporting period, the Group assesses whether there is any indication that an asset – whether tangible or intangible with finite useful lives or a right of use – has been impaired. Both internal and external sources of information are used for this purpose. Identifying the impairment indicators, estimating future cash flows and calculating the fair value of each asset requires the Management to make significant estimates and assumptions in calculating the discount rate to be used, and the useful life and residual value of the assets. The estimate of expected cash flows took into account the risks arising from climate change (as explained in the section 'Main Risks and Uncertainties - Risks Related to Key Sustainability Issues' in the Report on Operations), which at present do not have a significant impact on the Group's business model. These estimates can have a significant impact on the fair value of the assets and on the amount of any impairment write-down.
Business combinations	The recognition of business combinations requires that assets and liabilities of the acquiree be recorded at their fair value at the control acquisition date, as well as the possible recognition of goodwill. These values are determined through a complex estimation process.
Lease liabilities and rights of use assets	The value of lease liabilities and corresponding rights of use is determined by calculating the present value of the lease payments, also bearing in mind whether the renewal of the lease is reasonably certain.
Capitalization/deferment of costs	The capitalization/deferment of internal and external costs is a process that entails elements of estimation and valuation. Specifically, it involves the valuation of: i) the likelihood that capitalized costs will be recovered through correlated future revenues; and ii) the effective increase in the future economic benefits embodied in the related asset.
Provision for bad debts	Impairment on trade receivables and on contract assets is carried out using the simplified approach that involves estimating the loss expected over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions.

Depreciation and amortization	Changes in the economic conditions of the markets, technology and competitive forces could significantly affect the estimated useful lives of tangible and intangible non-current assets and may lead to a difference in the timing, and thus on the amount of depreciation and amortization expense.
Provisions, contingent liabilities and employee benefits	As regards the provisions for restoration costs, the estimate of future costs to dismantle tangible assets and restore the site is a complex process that requires the valuation of the liabilities arising from such dismantling and restoration obligations, which seldom are entirely defined by laws, administrative regulations or contract clauses, and which normally are to be complied with after an interval of several years. The provisions related to legal, arbitration and fiscal disputes, as well as regulatory proceedings, are the result of a complex estimation process based upon the probability of an unfavorable outcome. Provisions for employee benefits, especially the provision for employee severance indemnities, are calculated using actuarial assumptions; changes in such assumptions could have a material impact on such liabilities. Provisions made for contractual risks are also related to any contracts that may have become onerous and are based on an articulated estimation process that envisages the valuation of the comprehensive negative margins of the entire contract; they therefore include the non-discretionary costs necessary to fulfill the commitments made that exceed the economic benefits expected from such contracts.
Revenues	The recognition of revenues is influenced by estimates of the amount of discounts, rebates and returns to be reported as a direct adjustment to revenues, as well as the methods for defining individual product or service stand-alone selling prices and for determining the duration of the contract when there are renewal options.
Contract costs (IFRS 15)	The recognition of the costs of obtaining and fulfilling contracts is influenced by the estimated expected duration of the relationship with the customer, calculated on the basis of the historical turnover indexes and future estimates. However, this estimate is subject to fluctuations and could only represent customers' future behavior in a limited way, especially if there are new commercial offers or changes in the competitive environment.
Income tax expense (current and deferred)	Income tax expense (current and deferred) are calculated in each country in which the Group operates according to a prudent interpretation of the applicable tax laws. This process sometimes involves complex estimates to determine taxable income and deductible and taxable temporary differences between the carrying amounts and the taxable amounts. In particular, deferred tax assets are recognized to the extent that future taxable income will be available against which they can be recovered. The measurement of the recoverability of deferred tax assets, recognized based on both unused tax loss carry-forwards to future years and deductible temporary differences, takes into account the estimate of future taxable income and is based on conservative tax planning.
Derivative instruments and equity instruments	The fair value of derivative instruments and equity instruments is determined both using valuation models which also take into account subjective measurements such as, for example, cash flow estimates, expected volatility of prices, etc., and on the basis of prices existing in regulated markets or quotations provided by financial counterparties. For further details refer to the Note “Supplementary disclosures on financial instruments”.

As per IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) paragraph 10, in the absence of a standard or interpretation that specifically applies to a transaction, the Management shall use its judgment in developing and applying an accounting policy that results in consolidated financial statements that represent faithfully the financial position, financial performance and cash flows of the Group, reflect the economic substance of transactions, and are neutral, prudential and complete in all material aspects.

New standards and interpretations endorsed by the EU and in force from January 1, 2024

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, 2024.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

On November 20, 2023, Regulation (EU) No. 2023/2579 was issued, implementing limited amendments to IFRS 16 to clarify that, in a sale and leaseback translation, the seller/lessee must measure only the amount in profit or loss resulting from the rights transferred to the purchase/lessor. The initial measurement of the lease liabilities arising from a sale and leaseback transaction depends on how the seller-lessee measures the right-of-use asset and the gain or loss recognized at the transaction date.

Prior to these amendments, IFRS 16 did not contain specific measurements/requirements in relation to lease liabilities that may contain variable payments arising from a sale and leaseback transaction. The amendments require that, when subsequently measuring lease liabilities in a sale and leaseback transaction, the lessee-seller should determine “lease payments” or “modified lease payments” so as not to recognize any gain or loss that relates to the right-of-use retained by the seller-lessee.

The adoption of these amendments had no effect on the consolidated financial statements at December 31, 2024.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

On December 19, 2023, Regulation (EU) No. 2023/2822 was issued, implementing certain limited amendments to IAS 1 clarifying that liabilities are classified as current or non-current depending on the rights existing at the end of the year. The amendment clarifies that:

- the classification of liabilities as current or non-current must be based on rights existing at the end of the year. In all relevant paragraphs, the wording is aligned to refer to the "right" to defer payment for at least 12 months, with it made explicit that only rights that are in existence "at the end of the reporting period" should affect the classification of a liability. In other words, liabilities are classified as non-current if the entity has a substantial right to defer payment for at least 12 months at the end of the year;

- the classification is unaffected by expectations as to whether or not an entity will exercise its right to defer payment of a liability; in other words, management's expectations do not affect the classification; and
- settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The adoption of these amendments had no effect on the consolidated financial statements at December 31, 2024.

Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants

The same Regulation (EU) 2023/2822, issued on December 19, 2023, implemented other limited amendments to IAS 1, clarifying that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.

In other words, these amendments provided that, at the reporting date, entities must not consider covenants that are to be complied with in future for the purposes of classifying debt as current or non-current. Instead, the entity must disclose these covenants in the notes to the financial statements.

With these changes, the IASB aims to help investors understand the risk of liabilities being repaid early. As such, it has improved disclosures on long-term liabilities.

The adoption of these amendments had no effect on the consolidated financial statements at December 31, 2024.

Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

On May 15, 2024, Regulation (EU) no. 2024/1317 was issued, incorporating certain amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures. The amendments aim to help users of financial statements determine the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk exposure.

The amendments require entities to disclose information on the impact of supplier finance arrangements on liabilities and cash flows, including:

- the terms and conditions;
- at the start and end of the reporting period:
- the carrying amounts of the financial liabilities that are part of the supplier financing agreement and the items in which these liabilities are presented;
- the carrying amounts of the financial liabilities and the items for which payment has already been settled by the finance provider;
- the range of payment terms, expressed in time, of payables due to lenders and of trade payables that do not form part of the arrangement;
- the type and effect of non-monetary changes in the carrying amounts of the financial liabilities that are part of the supplier finance arrangement, which prevent the carrying amounts of financial liabilities from being comparable.

The amendments require entities to aggregate information related to supplier finance agreements. However, entities must disaggregate information on any unusual or unique terms and conditions of individual arrangements when these are dissimilar.

Explanatory information on payment due dates must also be disaggregated when there is a wide range of payment due dates.

Supplier finance arrangements are included among the quantitative liquidity risk disclosures in IFRS 7 as an example of other potentially material factors.

The amendments contain measures to facilitate the transition. For example, entities are not required to disclose comparative information for preceding periods in the annual reporting period it first applies the amendments.

The adoption of these amendments had no effect on the consolidated financial statements at December 31, 2024.

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	
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
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 IAS 21 - The Effects of Changes in Foreign Exchange Rates	1/1/2025

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

Investments in consolidated subsidiaries

Composition of the Group

TIM holds a majority of the voting rights in all the subsidiaries included in the scope of consolidation.

A complete list of consolidated subsidiaries is provided in Note 46 “List of companies of the TIM Group”.

Scope of consolidation

In terms of changes in the scope of consolidation at December 31, 2024, compared to December 31, 2023, it should particularly be noted that on July 1, 2024, TIM S.p.A. transferred a Business Unit – consisting of the activities relating to the primary network, the wholesale business and 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”)).

Further changes in the scope of consolidation are also shown below.

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

Company		Business Unit	Month
Entry:			
TI SPARKLE MEXICANA S.A. de C.V.	Newly incorporated	Domestic	January 2024
QTI S.r.l.	Increase in share held	Domestic	June 2024
SPARKLE COMMUNICATIONS INDIA PRIVATE Ltd	Newly incorporated	Domestic	July 2024
Exit:			
NOOVLE AI S.r.l.	Liquidated	Domestic	February 2024
GLOBAL SPACE 3 S.r.l.	Liquidated	Domestic	February 2024
STAER SISTEMI S.r.l.	Merged into OLIVETTI S.p.A.	Domestic	April 2024
TI SPARKLE CZECH S.R.O.	Liquidated	Domestic	June 2024
FIBERCOP S.p.A.	Sold	Domestic	July 2024
TELENERGIA S.r.l.	Sold	Domestic	July 2024

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

		12/31/2024	
Companies:	**Italy**	**Outside Italy**	**Totale**
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**

		12/31/2023	
Companies:	**Italy**	**Outside Italy**	**Total**
subsidiaries consolidated line-by-line	19	43	62
joint ventures accounted for using the equity method	2	—	2
associates accounted for using the equity method	11	1	12
Total companies	**32**	**44**	**76**

Further details are provided in the Note 46 "List of companies of the TIM Group".

Subsidiaries with a significant non-controlling interest

At December 31, 2024, the TIM Group held investments in subsidiaries, with significant non-controlling interest, in relation to the TIM Brasil group.

The figures provided below, stated before the netting and elimination of intragroup accounts, comply with IFRS and reflect adjustments made at the acquisition date to align the assets and liabilities acquired to their fair value.

TIM Brasil group – Brazil Business Unit

Non-controlling interest accounted at December 31, 2024 for 33.4% of the capital of TIM S.A., coinciding with the corresponding voting rights.

Financial position data TIM Brasil group

(million euros)	12/31/2024	31/12/2023
Non-current assets	7,111	8,596
Current assets	2,081	2,238
Total Assets	**9,192**	**10,834**
Non-current liabilities	3,111	3,832
Current liabilities	2,194	2,565
Total Liabilities	**5,305**	**6,397**
Equity	**3,887**	**4,437**
of which Non-Controlling Interests	*1,389*	*1,646*

Income statement data TIM Brasil group

(million euros)	2024	2023
Revenues	4,366	4,412
Profit (loss) for the year	**412**	**448**
of which Non-Controlling Interests	*181*	*175*

Financial data of the TIM Brasil group

Aggregate cash flows generated in 2024 amounted to -116 million euros, with a negative exchange rate effect of 104 million euros.

In 2023, this was positive for 167 million euros, with a positive exchange rate difference of 20 million euros.

Finally, with regard to the subsidiaries with significant minority interests, in line with the information provided in the Report on Operations - "Main risks and uncertainties" section, the main risk factors that could lead, even significantly, to restrictions on the operations of the TIM Brasil group are listed below:

- strategic risks (risks related to agreements with suppliers and partners, staff engagement, climate change, and technological innovation);
- Operational risks (risks related to business continuity, fraud, supply chain, and network development);
- financial risks (risks related to interest rate fluctuations, liquidity and credit risks, risks related to macroeconomic factors);
- risks related to the legislative and regulatory environment (regulatory risks, privacy, occupational health and safety, Golden Power regulations);
- market risks (risks related to competitive dynamics, geopolitical stability, customer needs and satisfaction);
- technology and cyber security risks (risks related to technology security, cyber attacks, and the integrated use of artificial intelligence in business processes).

NOTE 4
GOODWILL

Goodwill shows the following breakdown and changes for 2023 and 2024:

(million euros)	12/31/2022	Increase	Decrease	Impairments	Exchange differences	12/31/2023
Domestic	**18,134**	19				**18,153**
Brazil	**977**				40	**1,017**
Other Operations	**—**					**—**
Total	**19,111**	**19**	**—**	**—**	**40**	**19,170**

(million euros)	12/31/2023	Discontinued Operations	Increase	Decrease	Impairments	Exchange differences	12/31/2024
Domestic	**18,153**	(7,920)	4	(52)			**10,185**
Brazil	**1,017**					(172)	**845**
Other Operations	**—**						**—**
Total	**19,170**	**(7,920)**	**4**	**(52)**	**—**	**(172)**	**11,030**

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.

During 2024, Goodwill decreased by 8,140 million euros, from 19,170 million euros at the end of 2023 to 11,030 million euros as of December 31, 2024. Specifically:

- Goodwill of the Cash Generating Unit Domestic shows an overall decrease of 7,968 million euros due to:
  - the allocation of goodwill of 7,920 million euros attributed to NetCo, sold on July 1, 2024;
  - the recognition of goodwill in the amount of 4 million euros referring to the acquisition of control of QTI S.r.l;
  - the allocation of goodwill in the amount of 52 million euros to Telecom Italia Sparkle following the acceptance of the binding offer for the sale of the entire shareholding and, as explained below, fully written down;
- the goodwill of the Brazil Cash Generating Unit recorded negative exchange differences of 172 million euros (the point exchange rate used for the conversion of the Brazilian real into euro (expressed in terms of units of local currency per €1) increased from 5.34964 at December 31, 2023 to 6.43318 at December 31, 2024).

The gross carrying amounts of Goodwill and the related accumulated impairment losses from January 1, 2004 (date of allocation to the Cash-Generating Units – CGUs) to December 31, 2024 and 2023 can be summarized as follows:

	12/31/2024			12/31/2023		
(million euros)	**Gross carrying amount**	**Accumulated impairment losses**	**Net carrying amount**	**Gross carrying amount**	**Accumulated impairment losses**	**Net carrying amount**
Domestic	30,809	(20,624)	**10,185**	38,718	(20,565)	**18,153**
Brazil	983	(138)	**845**	1,189	(172)	**1,017**
Other Operations	—	—	**—**	—	—	**—**
Total	**31,792**	**20,762**	**11,030**	**39,907**	**(20,737)**	**19,170**

The figures for the Brazil CGU are stated in euros, converted at the spot exchange rate at the closing date of the financial statements; the net carrying amount of goodwill for the CGU corresponds to 5,439 million reais at December 31, 2024 (5,439 million reais at December 31, 2023).

The cash generating units (or groups of units) to which goodwill is allocated are as follows:

Segment	**Cash-Generating Units (or groups of units)**
Domestic	Domestic
Brazil	Brazil

For the Brazil CGU, the value configuration used is the fair value on the basis of market capitalization at the end of the period.

The values are expressed in local currency, and hence in euros for the Domestic CGU and in Reais for the Brazil CGU. For the latter CGU, the recoverable amount is determined based on the price (and consequent market capitalization) on that date, stated in functional currency and subsequently converted at the spot exchange rate as of the balance sheet date.

Below, therefore, is an explanation of how impairment testing of the Domestic CGU is carried out for the consolidated financial statements.

Following the sale of NetCo, the Domestic CGU includes the Enterprise, Consumer and Sparkle perimeter. On February 12, 2025, TIM's Board of Directors accepted a binding offer (representing the fair value of the perimeter being sold) for the sale of the entire stake (100%) held in Telecom Italia Sparkle, the transaction is expected to be concluded in the first part of 2026.

Therefore, the value configuration used to determine the recoverable amount as of December 31, 2024 of the Domestic CGU is the Fair Value estimated based on a valuation obtained by sum of parts between the Enterprise and Consumer (Domestic formerly Sparkle) subCGUs and the Sparkle subCGU.

The present value (as of December 31, 2024) of the price implied in the binding offer (price proposal referring to the first quarter of 2026) by an independent party (MEF / Retelit) was assumed as the recoverable value estimate of Sparkle.

Instead, the fair value based on the income approach was taken as the estimate of Domestic formerly Sparkle's recoverable value, as it was deemed to better express the value of the Group's assets (so-called market participant perspective), also reflecting the cost interventions in view of a possible future new and different business structure.

For the Domestic subCGU formerly Sparkle, the estimate of fair value on the basis of the income approach was made in compliance with IAS 36, with valuation principles and best practices, with reference to the flows of the 2025-2027 Industrial Plan, which is based on the final results of 2024: (i) it reflects realistic expectations regarding future evolutions; (ii) it brings into play careful cost cutting actions as preparation for the future business structure; (iii) it maintains the perspective of use of assets of the domestic market continuing on with the same conditions as at December 31, 2024. The expected cash flows reported in the 2025-2027 Industrial Plan approved by the Board of Directors have been critically analyzed and, with the support of expert appraisers, the average representativeness has been assessed. Expected average cash flows for the 2025-2027 Industrial Plan were extrapolated for an additional two years (2028-2029), thus bringing the explicit forecast period for future cash flows to a total of five years (2025-2029). The extrapolation of data for 2028-2029 was necessary, in line with that carried out by the main European incumbents, in order to intercept market, competition and industrial trends that will become manifest beyond the forecast horizon of the Industrial Plan. It is specified that where inputs are present that cannot be observed, the fair value thus determined is assigned as level 3 of the fair value hierarchy, as envisaged by IFRS 13 - Fair value measurement.

The estimation of the fair value according to the income approach requires the determination of the current value of income beyond the explicit forecast period (“terminal value”). For this purpose, the 2029 flow has been appropriately adjusted to take into account a level of long-term investment normalized by the effects related to the development of projects in innovative technologies existing in the plan years. In addition, specifically in reference to the use of the 5G license, account was taken of the expected incremental net flows over the license term beyond the plan’s five-year term. This approach is consistent with the need to consider, on the one hand, the negative cash flows arising from the investments made supporting the exploitation of the 5G license, and on the other hand, the positive cash flows arising from the incremental business component that the license allows to be developed over a longer time frame than the five years of explicit forecast.

The cost of capital used to discount the future cash flows in the estimates of fair value for the Domestic subCGU formerly Sparkle:

- was estimated using the Capital Asset Pricing Model (CAPM), which is one of the generally accepted application criteria referred to in IAS 36;
- reflects current market estimates of the time value of money and the specific risks associated with the asset groups; includes appropriate yield premiums for country risk;
- was calculated using comparative market parameters to estimate the “Beta coefficient” and the weighting coefficient of the equity and debt capital components.

These are reported below for the Domestic subCGU formerly Sparkle:

- the weighted average cost of capital (WACC rate) used to discount the future cash flows and the equivalent rate before tax;
- details are also provided of the growth rate used to estimate the residual value after the explicit forecast period (the G-Rate), expressed in nominal terms and related to the cash flows in their functional currency;
- details are provided of the implicit capitalization rates resulting from the difference between the cost of capital, after tax, and the G-Rate.

Parameters relevant to the Fair Value estimates of the Domestic sub-CGU formerly Sparkle

WACC	7.00%
WACC before tax	9.08%
Growth rate beyond the explicit period (g)	1.00%
Capitalization rate after tax (WACC-g)	6.00%
Capitalization rate before tax (WACC-g)	8.08%
CapEx/Revenues, perpetual	10.65%

The 7% aligned weighted average cost of capital estimate is within the range of weighted average cost of capital estimates by equity analysts.

The growth rate in the terminal value “g” of the Domestic subCGU formerly Sparkle was estimated taking into account the expected evolution of demand for the various business areas (Enterprise and Consumer), overseen in terms of investments and competences also by the subsidiary Noovle. The growth rate thus estimated falls within the range of growth rates applied by analysts who monitor TIM shares.

The phase of capital expenditure, competitive positioning and the technological infrastructure operated was taken into account in estimating the level of investment needed to sustain the perpetual development of cash flows after the explicit forecast period.

The recoverable value of the Cash Generating Unit Domestic, determined on the basis of estimated Fair Value by sum of parts showed a higher fair value than the carrying amount (so-called headroom) of 1,277 million euros.

The difference between the recoverable amounts and the net carrying amounts of the CGUs considered totaled:

(million euros)	**Domestic**	**Brazil**
Difference between recoverable and net carrying amounts	1.277	1.408

Therefore, in light of all the foregoing, the Goodwill values recognized in the financial statements relating to the Domestic CGU (positive difference of +1,277 million euros) and the Brazil CGU (positive difference of +1,408 million euros) are confirmed.

The recoverability of the related net assets after allocation of the Domestic portion of goodwill (52 million euros) to the Sparkle group was then verified; as a result of this assessment, it became necessary to write down the entire allocated goodwill. For more details, please refer to the Note 34"Impairment reversals (losses) on non-current assets."

In accordance with IAS 36, a sensitivity analysis was carried out to identify the change in key variables (weighted average cost of capital, marginality as captured by the ratio of EBITDA to revenues, income growth rate in terminal value) that makes the recoverable amount equal to the carrying amount.

This analysis shows that in order to align the recoverable amount with the carrying amount, it would alternatively require:

- An upward change in costs such that the EBITDA margin (= EBITDA/revenues) is reduced by 1.04%, or;
- or a 0.43% rise in the WACC (at the value of 7.43%), or;
- a growth rate of income in terminal value of 0.442%.

With regard to the Brazilian CGU, the change in the price per share, compared to the reference quotation considered for the purposes of the financial statements, which would make the recoverable value equal to the carrying amount is equal to -25.84%.

The second-level impairment test is discharged by sum of the values of the Domestic and Brazil unit (both expressed at fair value).

The second level impairment test revealed a recoverable amount that exceeded the book value of the Group’s business as a whole, thereby not showing any need for impairment.

NOTE 5
INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

This item decreased by 1,111 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2022	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Capitalized borrowing costs	Other changes	12/31/2023
Industrial patents and intellectual property rights	**1,985**	659	(1,045)		(1)	18		294	**1,910**
Concessions, licenses, trademarks and similar rights	**4,643**	8	(485)			57		539	**4,762**
Other intangible assets with a finite useful life	**45**	3	(10)			2		11	**51**
Work in progress and advance payments	**983**	242			(1)	16	18	(859)	**399**
Total	**7,656**	**912**	**(1,540)**	**—**	**(2)**	**93**	**18**	**(15)**	**7,122**

(million euros)	12/31/2023	Discontinued Operations	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	12/31/2024
Industrial patents and intellectual property rights	**1,910**	(161)	545	(933)			(74)	278	**1,565**
Concessions, licenses, trademarks and similar rights	**4,762**	(8)	11	(477)			(282)		**4,006**
Other intangible assets with a finite useful life	**51**		2	(9)			(6)	3	**41**
Work in progress and advance payments	**399**	(70)	297			(1)	(9)	(217)	**399**
Total	**7,122**	**(239)**	**855**	**(1,419)**	**—**	**(1)**	**(371)**	**64**	**6,011**

Investments in 2024 amounted to 855 million euros (912 million euros in 2023) and included 174 million euros in internally generated assets (230 million euros in 2023).

Industrial patents and intellectual property rights at December 31, 2024, 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. (1,005 million euros), the Brazil Business Unit (363 million euros) and Noovle S.p.A. (128 million euros).

Concessions, licenses, trademarks and similar rights at December 31, 2024 mainly refer to the residual cost of telephone licenses and similar rights (2,676 million euros for TIM S.p.A. and 1,292 million euros for the Brazil Business Unit).

The residual amount of telephone licenses and similar rights in operation at December 31, 2024 (3,968 million euros) and their useful lives are detailed below:

Type	Residual amount at December 31, 2024 (million euros)	Useful life (years)	Maturity	Amortization expense for 2024 (million euros)
TIM S.p.A.:				
UMTS 2100 MHz (extension)	150	8	12/31/2029	30
WiMax (extension)	3	7	12/31/2029	1
34-36-MHz OpNet (former Linkem) band	44	7	12/31/2029	9
LTE 1800 MHz	43	18	12/31/2029	9
LTE 800 MHz	300	17	12/31/2029	60
LTE 2600 MHz	33	17	12/31/2029	7
L Band (1452-1492 MHz)	82	14	12/31/2029	16
900 and 1800 MHz band	274	11	12/31/2029	55
3600-3800 MHz band (5G)	1,154	19	12/31/2037	89
26.5-27.5 GHz band (5G)	23	19	12/31/2037	2
694-790 MHz band (5G)	570	15 years and 6 months	12/31/2037	44
TIM Brasil group:				
800 MHz, 900 MHz and 1800 MHz band	273	from 2 to 20	from 2025 to 2039	27
1900 MHz and 2100 MHz band	77	from 2 to 20	from 2025 to 2039	8
700 MHz, 2500 MHz and 2.5 GHz band (4G)	388	from 2 to 20	from 2025 to 2039	76
2.3 GHz, 3.5 GHz, and 26 GHz band (5G)	554	from 10 to 20	from 2030 to 2041	39

Work in progress and advance payments mainly relate to TIM S.p.A. (273 million euros) and the Brazil Business Unit (52 million euros) and refer mainly to software developments.

The gross carrying amount, accumulated impairment losses and accumulated amortization at December 31, 2023 and December 31, 2024 can be summarized as follows:

	12/31/2023			
(million euros)	Gross carrying amount	Accumulated impairment losses	Accumulated amortization	Net carrying amount
Industrial patents and intellectual property rights	13,932	—	(12,022)	1,910
Concessions, licenses, trademarks and similar rights	8,454	—	(3,692)	4,762
Other intangible assets	596	—	(545)	51
Work in progress and advance payments	399	—	—	399
Total	**23,381**	**—**	**(16,259)**	**7,122**

	12/31/2024			
(million euros)	Gross carrying amount	Accumulated impairment losses	Accumulated amortization	Net carrying amount
Industrial patents and intellectual property rights	12,992	—	(11,427)	1,565
Concessions, licenses, trademarks and similar rights	7,839	—	(3,833)	4,006
Other intangible assets	232	—	(191)	41
Work in progress and advance payments	399	—		399
Total	**21,462**	**—**	**(15,451)**	**6,011**

With reference to gross values in 2024, the Parent Company TIM S.p.A. made disposals amounting to 482 million euros related to intellectual property rights, mainly for obsolete IT and network systems and software developments, which have been almost totally amortized.

NOTE 6
TANGIBLE ASSETS

Property, plant and equipment owned

This item decreased by 10,132 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2022	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	12/31/2023
Land	**232**				(4)		1	**229**
Buildings (civil and industrial)	**651**	19	(37)		(4)		24	**653**
Plant and equipment	**12,002**	2,081	(2,162)		(25)	76	438	**12,410**
Manufacturing and distribution equipment	**20**	8	(7)				(1)	**20**
Other	**362**	100	(155)		(1)	5	18	**329**
Construction in progress and advance payments	**833**	733			(1)	3	(517)	**1,051**
Total	**14,100**	**2,941**	**(2,361)**	**—**	**(35)**	**84**	**(37)**	**14,692**

(million euros)	12/31/2023	Discontinued Operations	Investments	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Exchange differences	Other changes	12/31/2024
Land	**229**	(181)					(1)	(1)	**46**
Buildings (civil and industrial)	**653**	(406)	4	(11)		(2)	(1)	7	**244**
Plant and equipment	**12,410**	(8,442)	732	(1,042)		(8)	(356)	227	**3,521**
Manufacturing and distribution equipment	**20**	(17)	1	(1)				1	**4**
Other	**329**	(21)	107	(140)		(1)	(20)	5	**259**
Construction in progress and advance payments	**1,051**	(630)	350		(14)	(2)	(14)	(255)	**486**
Total	**14,692**	**(9,697)**	**1,194**	**(1,194)**	**(14)**	**(13)**	**(392)**	**(16)**	**4,560**

Land comprises both built-up land and available land and is not subject to depreciation. The balance as of December 31, 2024 refers mainly to the Domestic Business Unit (40 million euros).

Buildings (civil and industrial) mainly includes buildings for industrial use hosting data centers. Specifically, the balance as of December 31, 2024 refers mainly to Noovle S.p.A. (214 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 December 31, 2024 was mainly attributable to the Brazil Business Unit (1,797 million euros) and the Domestic Business Unit (1,724 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.

Investments in 2024 include 123 million euros of internally generated assets (308 million euros in 2023).

Depreciation, impairment losses and reversals have been recorded in the income statement as components of EBIT.

Depreciation for the years 2024 and 2023 was calculated on a straight-line basis over the estimated useful lives of the assets according to the following minimum and maximum rates:

Buildings (civil and industrial)	2% - 20%
Plant and equipment	3% - 50%
Manufacturing and distribution equipment	15% - 25%
Other	5% - 50%

Other changes in 2024 mainly refer to the effects related to the NetCo transaction.

The gross carrying amount, accumulated impairment losses and accumulated amortization at December 31, 2023 and December 31, 2024 can be summarized as follows:

(million euros)	12/31/2023			
	Gross carrying amount	**Accumulated impairment losses**	**Accumulated amortization**	**Net carrying amount**
Land	232	(3)		229
Buildings (civil and industrial)	2,053	—	(1,400)	653
Plant and equipment	76,271	(12)	(63,849)	12,410
Manufacturing and distribution equipment	346	(1)	(325)	20
Other	3,873	(2)	(3,542)	329
Construction in progress and advance payments	1,052	(1)		1,051
Total	**83,827**	**(19)**	**(69,116)**	**14,692**

	12/31/2024			
(million euros)	**Gross carrying amount**	**Accumulated impairment losses**	**Accumulated amortization**	**Net carrying amount**
Land	48	(2)		46
Buildings (civil and industrial)	440		(196)	244
Plant and equipment	21,679	(4)	(18,154)	3,521
Manufacturing and distribution equipment	41	(1)	(36)	4
Other	3,371	(2)	(3,110)	259
Construction in progress and advance payments	486			486
Total	**26,065**	**(9)**	**(21,496)**	**4,560**

With regard to the gross amounts, in 2024 the parent company TIM S.p.A. made disposals for a total value of 226 million euros, mainly in relation to fully depreciated assets, including: public telephone equipment and booths (142 million euros), Consumer and Business network equipment (30 million euros), network infrastructure (20 million euros), routers, decoders and other equipment (22 million euros) and cell phones (3 million euros).

NOTE 7
RIGHT OF USE ASSETS

This item decreased by 2,048 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2022	Investments	Increases in lease contracts	Depreciation and amortization	Disposals	Exchange differences	Other changes	12/31/2023
Property	**2,967**	27	711	(440)	(80)	22	(40)	**3,167**
Plant and equipment	**2,370**	68	348	(483)	(79)	55	(63)	**2,216**
Other tangible assets	**102**		21	(35)	(3)		(12)	**73**
Construction in progress and advance	**35**	18					(24)	**29**
Intangible assets	**14**	16	7	(4)			(3)	**30**
Total	**5,488**	**129**	**1,087**	**(962)**	**(162)**	**77**	**(142)**	**5,515**

(million euros)	12/31/2023	Discontinued Operations	Investments	Increases in lease contracts	Depreciation and amortization	Disposals	Exchange differences	Other changes	12/31/2024
Property	**3,167**	(2,243)	4	262	(142)	(67)	(99)	(18)	**864**
Plant and equipment	**2,216**	(239)	14	436	(415)	(40)	(223)	716	**2,465**
Other tangible assets	**73**	(34)		21	(14)	(2)		1	**45**
Construction in progress and advance	**29**	(21)	49					(5)	**52**
Intangible assets	**30**		13	1	(5)			2	**41**
Total	**5,515**	**(2,537)**	**80**	**720**	**(576)**	**(109)**	**(322)**	**696**	**3,467**

Capital expenditures in 2024 mainly refer to the Domestic Business Unit and are substantially related to the IRU acquisition of transmission capacity as well as improvements and incremental expenses incurred on leased property and non-property assets.

Increases in leases in 2024, totaling 720 million euros, relate to the Brazil Business Unit at 507 million euros and the Domestic Business Unit at 213 million euros. These increases include the higher value of user rights recorded as a result of new leases payable, rent increases, 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.

Amortization and impairment losses have been recorded in the income statement as components of EBIT.

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

In addition to the effects related to the NetCo transaction, other changes mainly includechanges related to the lower value of user rights recorded as a result of contractual changes during the year , and also include transfers during the year.

Property includes buildings and land under finance leases and the related building adaptations, attributable to the Brazil Business Unit (493 million euros) and the Domestic Business Unit (371 million euros).

Plant and equipment mainly includes rights of use on infrastructures for telecommunications services. They refer to the Domestic Business Unit for 1,338 million euros and the Brazil Business Unit for 1,127 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 recognition - by the Parent Company TIM S.p.A. as part of the NetCo transaction as part of consideration - of usage rights (fair value) on B2B connections (755 million euros) with varying durations between 7 and 20 years.

Other tangible assets mainly comprises the leases on motor vehicles.

The item **Intangible assets** mainly includes Telecom Italia Sparkle's rights of use on the transmission frequency spectrum on non-illuminated fiber optic carriers of a submarine cables, as well as 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.

The gross carrying amount, accumulated impairment losses and accumulated amortization at December 31, 2023 and December 31, 2024 can be summarized as follows:

	12/31/2023			
(million euros)	Gross carrying amount	Accumulated impairment losses	Accumulated amortization	Net carrying amount
Property	6,324	(13)	(3,144)	3,167
Plant and equipment	4,582	(276)	(2,090)	2,216
Other	240		(167)	73
Construction in progress and advance payments	29			29
Intangible assets	36	—	(6)	30
Total	**11,211**	**(289)**	**(5,407)**	**5,515**

	12/31/2024			
(million euros)	Gross carrying amount	Accumulated impairment losses	Accumulated amortization	Net carrying amount
Property	1,452		(588)	864
Plant and equipment	4,821	(281)	(2,075)	2,465
Other	105		(60)	45
Construction in progress and advance payments	52			52
Intangible assets	49		(8)	41
Total	**6,479**	**(281)**	**(2,731)**	**3,467**

Impairment losses on “Plant and equipment”, mainly relating to prior years, refers to the Indefeasible Rights of Use (IRU) for the transmission capacity and cables for international connections acquired by the Telecom Italia Sparkle group.

With reference to gross values, in 2024 the Parent Company TIM S.p.A. made disposals with a total value of 135 million euros related mainly to leased properties and related improvements and adaptations (112 million euros), radio base stations (7 million euros), and cars (15 million euros).

NOTE 8
INVESTMENTS

Investments in associates and joint ventures accounted for using the equity method

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

(million euros)		12/31/2024	12/31/2023
I-Systems S.A.		213	271
Daphne 3 S.p.A.		—	200
NordCom S.p.A.		—	7
Italtel S.p.A.		—	7
W.A.Y. S.r.l.		3	4
QTI S.r.l		—	2
Other		—	2
Total Associates	**(a)**	**216**	**493**
TIMFin S.p.A.		31	30
Polo Strategico Nazionale S.p.A.		18	14
Total Joint Ventures	**(b)**	**49**	**44**
Total investments accounted for using the equity method	**(a+b)**	**265**	**537**

The changes in this item are broken down as follows:

(million euros)	12/31/2022	Investments	Disposals and reimbursements of capital	Valuation using equity method	Other changes	12/31/2023
I-Systems S.A.	**277**			(17)	11	**271**
Daphne 3 S.p.A.	**212**			(12)		**200**
Italtel S.p.A.	**9**			(2)		**7**
NordCom S.p.A.	**6**			1		**7**
W.A.Y. S.r.l.	**4**					**4**
QTI S.r.l	**3**			(1)		**2**
Other	**2**	—				**2**
Total Associates	**513**	**—**	**—**	**(31)**	**11**	**493**
TIMFin S.p.A.	**21**	10			(1)	**30**
Polo Strategico Nazionale S.p.A.	**5**	19		(10)		**14**
Total Joint Ventures	**26**	**29**	**—**	**(10)**	**(1)**	**44**
Total investments accounted for using the equity method	**539**	**29**	**—**	**(41)**	**10**	**537**

(million euros)	12/31/2023	Investments	Disposals and reimbursements of capital	Valuation using equity method	Other changes	12/31/2024
I-Systems S.A.	271			(14)	(44)	**213**
Daphne 3 S.p.A.	200		(189)	(11)		**—**
Italtel S.p.A.	7		(5)	(2)		**—**
NordCom S.p.A.	7		(7)			**—**
W.A.Y. S.r.l.	4			(1)		**3**
QTI S.r.l	2				(2)	**—**
Other	2				(2)	**—**
Total Associates	**493**	**—**	**(201)**	**(28)**	**(48)**	**216**
TIMFin S.p.A.	30			1		**31**
Polo Strategico Nazionale S.p.A.	14	7		(3)		**18**
Total Joint Ventures	**44**	**7**	**—**	**(2)**	**—**	**49**
Total investments accounted for using the equity method	**537**	**7**	**(201)**	**(30)**	**(48)**	**265**

In terms of disposals, it is particularly worth noting that, on November 29, 2024, TIM and Ardian (through Impulse I, a consortium of institutional investors headed by Ardian) agreed the sale of TIM's remaining 10% stake in the holding company Daphne 3 S.p.A., which in turn holds a 30.8% stake in Infrastrutture Wireless Italiane ("INWIT").

"Other changes" mainly include exchange rate differences related to the investment in the Brazilian associate I-Systems S.A..

The list of **investments accounted for using the equity method** is presented in the Note 46 "List of companies of the TIM Group".

Other investments in associates accounted for using the equity method of the TIM Group are not material either individually or in aggregate form.

Investments in structured entities

The TIM Group does not hold investments in structured entities.

Other investments

Other investments refer to the following:

(million euros)	12/31/2022	Investments	Disposals and reimbursements of capital	Valuation at fair value	Other changes	12/31/2023
SECO S.p.A.	**56**			(20)		36
Banco C6 S.A.					30	30
Fin.Priv. S.r.l.	**20**			3		23
UV T-Growth	**11**	9		(5)		15
Northgate Telecom Innovations Partners L.P.	**16**	1		(4)		13
Upload Ventures Growth LP		10				10
Other	**13**					13
Total	**116**	**20**	**—**	**(26)**	**30**	**140**

(million euros)	12/31/2023	Investments	Disposals and reimbursements of capital	Valuation at fair value	Other changes	12/31/2024
SECO S.p.A.	**36**			(17)		**19**
Banco C6 S.A.	**30**				(5)	**25**
Fin.Priv. S.r.l.	**23**			9		**32**
UV T-Growth	**15**	2		(1)		**16**
Northgate Telecom Innovations Partners L.P.	**13**	1		(2)		**12**
Upload Ventures Growth LP	**10**	23				**33**
Other	**13**			—		**13**
Total	**140**	**26**	**—**	**(11)**	**(5)**	**150**

In addition:

- during 2024, TIM S.A. (Brazil Business Unit) has invested 23 million euros in the investment fund focused on 5G solutions called Upload Ventures Growth. As at December 31, 2024, TIM S.A. (Brazil Business Unit) does not control the management of the fund or exercise significant influence;
- as at December 31, 2024, the TIM Group has committed to subscribe to shares:
  - of the UV T-Growth fund in the amount of 36.7 million euros;
  - in the Northgate CommsTech Innovations Partners L.P. fund for 2.6 million USD, equal to approximately 2.5 million euros at the exchange rate as at December 31, 2024.

As permitted by IFRS 9, TIM now measures Other Investments mainly at "fair value through other comprehensive income (FVTOCI)".

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

NOTE 9
NON-CURRENT AND CURRENT FINANCIAL ASSETS

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

(million euros)		12/31/2024	12/31/2023
Other non-current financial assets			
Securities other than investments		—	—
Receivables from employees		11	31
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		554	968
Non-hedging derivatives		81	95
Other financial receivables		—	9
		646	**1,103**
Financial receivables for lease contracts		**40**	**112**
Total non-current financial assets	**(a)**	**686**	**1,215**
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)		1,116	1,516
Measured at Fair Value Through Profit or Loss (FVTPL)		423	366
		1,539	**1,882**
Financial receivables and other current financial assets			
Receivables from employees		3	24
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature		32	117
Non-hedging derivatives		75	57
Other short-term financial receivables		2	491
		112	**689**
	(b)	**1,651**	**2,571**
Financial receivables for lease contracts	**(c)**	**44**	**162**
Cash and cash equivalents	**(d)**	**2,924**	**2,912**
Total current financial assets	**e=(b+c+d)**	**4,619**	**5,645**
Financial assets relating to Discontinued operations/Non-current assets held for sale	**(f)**	**—**	**—**
Total non-current and current financial assets	**g=(a+e+f)**	**5,305**	**6,860**

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/liabilities of a financial nature include the spot mark-to-market valuation components of cash flow hedge derivatives and accrued income on these contracts.

Non-hedging derivatives mainly referred to the *spot mark-to-market* component of the non-hedging derivatives of the Brazil Business Unit and to hedging of the Group's Consolidated Equity Free Cash Flow. More specifically, they include 81 million euros in relation to the option to subscribe shares of C6 Bank with which TIM S.A. entertains commercial relations.
Further details are provided in the Note 19 "Derivatives".

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

- 1,116 million euros of listed securities, of which 568 million euros of Italian and foreign treasury bonds purchased by Telecom Italia Finance S.A. as well as 548 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;
- 423 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).

On May 8, 2023, the securities lending arrangement with Telecom Italia Finance S.A. was terminated early and replaced by a new loan valid until October 1, 2026 for 40 million euros in BTP 12/1/2026; on May 9, 2023, TIM S.p.A. effected the early termination of its loan with NatWest and issued the above mentioned security to the same bank until October 2026.

The securities lending contracts between TIM S.p.A. and NatWest and between Telecom Italia Finance S.A. and TIM S.p.A were terminated early on July 3 and July 10, 2024, respectively.

In addition, under a securities lending agreement signed with Telecom Italia Finance S.A. on October 18, 2023, TIM S.p.A. borrowed 131 million euros nominal in BTP 7/15/2028 until October 19, 2026; On October 25, 2023, TIM S.p.A. pledged a portion of the securities with a market value (from time to time) of 99 million euros in favor of counterparty MPS after the latter issued a bank guarantee in favor of INPS in support of the application of Art. 4 of Law 92 of June 28, 2012.

From an accounting standpoint, in compliance with IAS/IFRS, the assets are shown exclusively in the financial statements of Telecom Italia Finance S.A., which retains the risks and benefits associated with the position.

Further details are provided in Note 2 "Accounting policies".

Cash and cash equivalents amounted to 2,924 million euros (2,912 million euros at December 31, 2023) and were broken down as follows:

(million euros)	12/31/2024	12/31/2023
Liquid assets with banks, financial institutions and post offices	2,428	2,294
Securities other than investments (due within 3 months)	496	618
Total	**2,924**	**2,912**

The different technical forms of investing available cash at December 31, 2024 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 496 million euros (618 million euros at December 31, 2023) of Brazilian bank certificates of deposit (*Certificado de Depósito Bancário*) held by the Brazil Business Unit with premier local banking and financial institutions.

NOTE 10

MISCELLANEOUS RECEIVABLES AND OTHER NON-CURRENT ASSETS

These decreased by 392 million euros compared to December 31, 2023. The breakdown is as follows:

(million euros)		12/31/2024	*of which Financial Instruments*	12/31/2023	*of which Financial Instruments*
Miscellaneous receivables (non-current)	**(a)**	**546**	**147**	**390**	**154**
Other non-current assets					
Deferred contract costs		1,079		1,650	
Other deferred costs		170		147	
	(b)	**1,249**		**1,797**	
Total	**(a+b)**	**1,795**	**147**	**2,187**	**154**

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

Miscellaneous receivables (non-current) totaled 546 million euros (390 million euros at December 31, 2023) and included Non-current income tax receivables of 65 million euros (72 million euros at December 31, 2023).

The item includes:

- 297 million euros related to the Brazil Business Unit pertaining mainly to judicial deposits (103 million euros), indirect taxes (108 million euros) and direct taxes (33 million euros);
- 248 million euros related to the Domestic Business Unit of which 211 million euros were recorded by the Parent Company TIM S.p.A. in the second half of 2024 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 1,249 million euros (1,797 million euros at December 31, 2023). They mainly break down as follows:

- **Deferred contract costs** of 1,079 million euros (1,650 million euros at December 31, 2023), 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 1,534 million euros (2,186 million euros at December 31, 2023) and break down as follows:

(million euros)	12/31/2024	12/31/2023
Deferred contract costs		
Non-current deferred contract costs	1,079	1,650
Current deferred contract costs	455	536
Total	**1,534**	**2,186**

(million euros)	12/31/2024	12/31/2023
Deferred contract costs		
Contract acquisition costs	1,210	1,255
Contract execution costs	324	931
Total	**1,534**	**2,186**

Changes to comprehensive deferred contract costs in 2024 are as follows:

(million euros)	12/31/2023	Discontinued Operations	Increase	Release to income statement	Exchange differences and other changes	12/31/2024
Contract acquisition costs	1,255	(39)	379	(378)	(7)	1,210
Contract execution costs	931	(599)	54	(62)	—	324
Total	**2,186**	**(638)**	**433**	**(440)**	**(7)**	**1,534**

The deferred contractual costs, based on the outstanding amount as of December 31, 2024 without taking into account the new deferred portions, will be recognized in the income statement in future years, and in particular about 455 million euros in 2025.

(million euros)	12/31/2024	Year of recognition in the income statement					
		2025	2026	2027	2028	2029	After 2029
Contract acquisition costs	1,210	359	275	207	145	98	126
Contract execution costs	324	96	72	55	40	24	37
Total	**1,534**	**455**	**347**	**262**	**185**	**122**	**163**

- **Other deferred costs** amounted to 170 million euros, mainly attributable to the Parent Company TIM S.p.A., the companies of the Telecom Italia Sparkle group and the companies of the Brazil Business Unit.

NOTE 11

INCOME TAX EXPENSE (CURRENT AND DEFERRED)

Current income tax receivables

Non-current and current income tax receivables at December 31, 2024 amounted to 189 million euros (263 million euros at December 31, 2023).

Specifically, they consisted of:

- non-current income tax receivables of 65 million euros (72 million euros at December 31, 2023), mainly relating to the Brazil Business Unit (33 million euros) and the Parent TIM S.p.A. (31 million euros). In detail:
  - Receivables of the Brazil Business Unit include the non-current portion of receivables related to the Brazilian Supreme Federal Court's decision in September 2021 regarding the non-collection of corporate income tax and social contribution on the monetary restatement using the SELIC rate in cases of wrongful payment;
  - the receivables of the Parent Company TIM S.p.A. include non-disposable receivables related to taxes and interest resulting from the recognized deductibility for IRES purposes of IRAP on labor costs, relating to years prior to 2012, following the entry into force of Italian Decree Law 16/2012;
- current income tax receivables of 124 million euros (191 million euros at December 31, 2023), relating to the companies of the Brazil Business Unit (69 million euros) and the Domestic Business Unit (55 million euros). Specifically, they include TIM S.A.'s receivables relating to the positive outcome of the above-mentioned decision of the Brazilian Supreme Federal Court, as well as receivables for taxes paid abroad in the amount of 17 million euros, the residual IRAP surplus from previous years in the amount of 15 million euros, the tax consolidation credit in the amount of 13 million euros and other tax credits in the amount of 3 million euros of the Parent Company TIM S.p.A.

Tax assets and deferred tax liabilities

The net balance of 452 million euros at December 31, 2024 (618 million euros at December 31, 2023) breaks down as follows:

(million euros)	12/31/2024	12/31/2023
Deferred tax assets	513	701
Deferred tax liabilities	(61)	(83)
Total	**452**	**618**

Deferred tax assets at December 31, 2024 mainly refer to the Domestic Business Unit for 340 million euros and to the Brazil Business Unit for 168 million euros. As at December 31, 2023, deferred tax assets referred to the Domestic Business Unit for 466 million euros and the Brazil Business Unit for 235 million euros.

In the 2024 financial statements, the Parent Company TIM S.p.A. did not include IRES deferred tax for current period and prior period tax losses nor do they include IRAP deferred tax assets/liabilities, (as was the case in the previous financial statements), in consideration of the assessment of the time frame for recoverability of deferred tax assets.

Deferred tax liabilities mainly refer to Telecom Italia Capital for 19 million euros (45 million euros at December 31, 2023) and the Domestic Business Unit for 36 million euros (31 million euros at December 31, 2023).

Since the presentation of prepaid and deferred taxes in the financial statements takes into account the offsets by legal entity when applicable, the composition of the gross amounts before offsets is presented below:

(million euros)	12/31/2024	12/31/2023
Deferred tax assets	1,073	1,307
Deferred tax liabilities	(621)	(689)
Total	**452**	**618**

The temporary differences which made up this line item at December 31, 2024 and 2023, as well as the movements during 2024, were as follows:

(million euros)	12/31/2023	Recognized in profit or loss	Recognized in equity	Change in scope of consolidation and other changes	12/31/2024
Deferred tax assets					
Tax loss carryforwards (*)	39	(32)		(3)	4
Derivatives	321	(48)	(1)		272
Provision for bad debts	120	(6)		(8)	106
Provisions	473	14		(62)	425
Taxed depreciation and amortization	130	2		(61)	71
Other deferred tax assets	224	5	—	(34)	195
Total	**1,307**	**(65)**	**(1)**	**(168)**	**1,073**
Deferred tax liabilities					
Derivatives	(337)	21	—	7	(309)
Business combinations - for step-up of net assets in excess of tax basis	(101)	(25)	—	15	(111)
Accelerated depreciation	(174)	(16)		32	(158)
Other deferred taxes	(77)	3		31	(43)
Total	**(689)**	**(17)**	**—**	**85**	**(621)**
Total Deferred tax assets net of Deferred tax liabilities	**618**	**(82)**	**(1)**	**(83)**	**452**

(*) For the new flow of tax losses in 2024, the Parent Company TIM S.p.A. has not entered deferred tax assets.

The expirations of deferred tax assets and deferred tax liabilities at December 31, 2024 were the following:

(million euros)	Within next year	Beyond 1 year	Total at 12/31/2024
Deferred tax assets	237	836	1,073
Deferred tax liabilities	(37)	(584)	(621)
Total Deferred tax assets net of Deferred tax liabilities	**200**	**252**	**452**

At December 31, 2024, the TIM Group had unused tax loss carryforwards of 5,055 million euros, mainly relating to the Parent Company TIM S.p.A. and the company Telecom Italia Finance, with the following expiration dates:

Year of expiration	(million euros)
2025	—
2026	1
2027	1
2028	—
2029	—
Expiration after 2029	31
Without expiration	5,022
Total unused tax loss carryforwards	**5,055**

Unused tax loss carryforwards considered in the calculation of deferred tax assets amounted to 16 million euros at December 31, 2024 (144 million euros at December 31, 2023) and mainly referred to the Brazil Business Unit and the Telecom Italia Sparkle Group. Deferred tax assets were recognized as it was considered probable that taxable income will be available in the future against which the tax losses can be utilized.

On the other hand, deferred tax assets of 1,233 million euros (1,036 million euros at December 31, 2023) were not recognized on 5,039 million euros of tax loss carry-forwards since, at the reporting date, their recoverability was not considered probable.

At December 31, 2024, deferred tax liabilities were not recognized on approximately 2.7 billion euros of tax-suspended reserves and undistributed earnings of subsidiaries, because the TIM Group is in a position to control the timing of the distribution of those reserves and it is probable that those accumulated earnings will not be distributed in the foreseeable future.

Current income tax payables

Current income tax payables amounted to 45 million euros (27 million euros at December 31, 2023). They break down as follows:

(million euros)	12/31/2024	12/31/2023
Income tax payables:		
non-current	1	—
current	44	27
Total	**45**	**27**

The current portion, amounting to 44 million euros, mainly refers to companies in the Domestic Business Unit (7 million euros) and the Brazil Business Unit (18 million euros). The current tax payables of the Parent Company TIM S.p.A. are zero (unchanged compared to December 31, 2023).

Non-current tax liabilities, related to the Parent Company, amounted to 1 million euros (not present as of December 31, 2023).

Income tax expense

The income tax expense for the years 2024 and 2023 breaks down as follows:

(million euros)		2024	2023
Current taxes for the year		91	(93)
Net difference in prior year estimates		1	(2)
Total current taxes		**92**	**(95)**
Deferred taxes		82	151
Total income tax expense on continuing operations	**(a)**	**174**	**56**
Income tax expense on Discontinued operations/Non-current assets held for sale	**(b)**	**51**	**171**
Total income tax expense for the year	**(a+b)**	**225**	**227**

Current taxes refer mainly to companies in the Brazil Business Unit (62 million euros) and the Domestic Business Unit (8 million euros).

Deferred taxes refer mainly to companies in the Brazil Business Unit (30 million euros) and the Parent Company TIM S.p.A. (32 million euros, including 2 million euros related to previous years).

The reconciliation between the theoretical tax expense, using the IRES tax rate in force in Italy (24%), and the effective tax expense for the years ended December 31, 2024 and 2023 is as follows:

(million euros)	2024	2023
Result before tax		
From continuing operations	257	(38)
Derived from Discontinued operations/Non-current assets held for sale	(396)	(842)
Total profit (loss) before tax	**(139)**	**(880)**
Theoretical income tax expense	**(33)**	**(211)**
Income tax effect on increases (decreases) in variations		
Tax losses of the year not considered recoverable	218	401
Tax losses from prior years not recoverable (recoverable) in future years	(39)	(51)
Non-deductible write-down of non-current assets	19	—
Brazil: different tax rate compared to the theoretical rate in force in Italy	50	52
Brazil: investment incentives	(57)	(44)
Other net differences	50	40
Actual taxes on income statement, excluding IRAP	**208**	**187**
IRAP (Regional Tax on Production Activities)	17	40
Total of actual taxes to income statement	**225**	**227**

For the purpose of the tax burden analysis, the impact of IRAP has been kept separate to avoid any distorting effect, as this tax applies only to Italian companies and is commensurate with a tax base other than pre-tax income.

Global Minimum Tax

Legislative Decree no. 209 of December 27, 2023, implementing the international tax reform, transposed European Union Council Directive no. 2022/2523/EU (the "**Directive**"), which implements the rules developed by the OECD on Pillar 2 and Global Minimum Tax ("Model Rules" or "GloBE Rules"). The new rules took effect on January 1, 2024.

To give a very brief overview, the GloBE Rules introduce a coordinated system of rules for multinational groups with total revenues of 750 million euros or more, aimed at ensuring that they are subject to a minimum tax level of at least 15% in relation to income generated in each country in which they operate. The GloBE Rules provide for the application of a top-up tax due if the effective tax rate ("ETR") calculated for each country according to the common rules is below 15%, up to that level. The ETR is equal to the ratio of taxes paid (with adjustments) to accounting profit (with adjustments). Both the calculation of the effective tax rate and the supplementary tax are done on a jurisdictional (i.e. country-by-country) basis.

The OECD has developed a system of safe harbours (i.e. tests) applicable during the first three-year period of the GloBE Rules (until 2026), which will make it possible to avoid making the complex calculations required and to consider the supplementary tax due in a given state to be zero if one of the following tests is passed:

- ***de minimis test***: aggregate revenue in that state is less than 10 million euros and aggregate pre-tax profit is less than 1 million euros (or a loss);
- ***simplified ETR test***: The effective tax level is at least 15% (for 2024), 16% (for 2025) and 17% (for 2026) and is to be determined on the basis of the ratio of the aggregate values of pre-tax profit/loss (denominator) and income tax (numerator);
- ***routine profit test:*** the economic substance present in a given jurisdiction (calculated assuming a given implied profitability of tangible assets and personnel costs located in the jurisdiction) is greater than the aggregate amount of pre-tax profit/loss. In the event that the group is found to have a pre-tax loss, the test will be regarded as positive.

As part of the scope of application of the *GloBE Rules*, TIM S.p.A. has been engaged for some time in analyzing the new rules and structuring an internal process for collecting the data necessary to make the calculations expected when fully implemented.

TIM S.p.A. carried out a preliminary analysis of 2024 data with reference to the application of *safe harbours* to the jurisdictions in which it operates. From the calculations made and based on the best interpretation of documents published by the OECD, virtually all countries pass at least one of the tests. The only notable exception concerns the jurisdiction of Luxembourg, which does not appear to be covered by any of the safe harbors examined. In this regard, it should be noted that Luxembourg has adopted by domestic legislation the GloBE Rules and the respective Qualified Domestic Minimum Top-Up Tax (also "QDMTT") has been in effect since 2024. Although further studies are still being carried out on the matter, it is believed that there are valid reasons why, in any case, no additional material imposition should emerge from this situation in the analyzed jurisdiction.

NOTE 12
INVENTORIES

These decreased by 48 million euros compared to December 31, 2023. The breakdown is as follows:

(million euros)	12/31/2024	12/31/2023
Raw materials and supplies	3	2
Work in progress and semifinished products	2	2
Finished goods	251	314
Deposits on stocks	41	27
Total	**297**	**345**

Inventories essentially consist of fixed and mobile telecommunications equipment and handsets and related accessories, as well as office products and specialist printers.

Inventories consist of 251 million euros for the Domestic Business Unit (283 million euros at December 31, 2023) and 46 million euros for the Brazil Business Unit (62 million euros at December 31, 2023).

"Deposits on stocks" referred to deposits paid by Telecom Italia Sparkle to construct the Blu-Raman System (fiber on submarine cables), limited to the component for resale also through finance lease transfer contracts.

Inventories are stated net of a provision for bad debts amounting to 12 million euros at December 31, 2024 (13 million euros at December 31, 2023).

NOTE 13
TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER CURRENT ASSETS

These decreased by 553 million euros compared to December 31, 2023. The breakdown is as follows:

(million euros)		12/31/2024	*of which Financial Instruments*	12/31/2023	*of which Financial Instruments*
Trade receivables					
Receivables from customers		1,750	*1,750*	1,351	*1,351*
Receivables from other telecommunications operators		559	*559*	1,556	*1,556*
	(a)	**2,309**	*2,309*	**2,907**	*2,907*
Miscellaneous receivables (current)					
Other receivables	**(b)**	**896**	*69*	**752**	*60*
Other current assets					
Contract assets		28	*28*	68	*68*
Deferred contract costs		455		536	
Other deferred costs		431		395	
Other		27		41	
	(c)	**941**	*28*	**1,040**	*68*
Total	**(a+b+c)**	**4,146**	***2,406***	**4,699**	***3,035***

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

The analyses of the aging of the financial instruments included in Trade and miscellaneous receivables and other current assets at December 31, 2024 and December 31, 2023 are provided below:

				of which overdue from:			
(million euros)	12/31/2024	of which non-overdue	of which overdue	0-90 days	91-180 days	181-365 days	More than 365 days
Trade and miscellaneous receivables and other current assets	**2,406**	1,865	541	135	64	128	214

(million euros)	12/31/2023	of which non-overdue	of which overdue	of which overdue from: 0-90 days	91-180 days	181-365 days	More than 365 days
Trade and miscellaneous receivables and other current assets	**3,035**	2,455	580	208	78	97	197

Compared to December 31, 2023, receivables not past due decreased by 590 million euros.

Specifically:

- the Domestic Business Unit showed a decrease of 536 million euros mainly due to the NetCo transaction;
- the Brazil Business Unit recorded, excluding the negative foreign exchange effect in 2024, around 98 million euros, an increase of about 44 million euros.

Past-due receivables decreased by 39 million euros compared to December 31, 2023.

Specifically:

- the Domestic Business Unit recorded a decrease of 105 million euros mainly due to the NetCo transaction;
- the Brazil Business Unit recorded, excluding the negative foreign exchange effect 2024, around 25 million euros, an increase of about 91 million euros.

Trade receivables amounted to 2,309 million euros (2,907 million euros at December 31, 2023) and are stated net of the provision for bad debts of 388 million euros (463 million euros at December 31, 2023). They included 7 million euros (10 million euros at December 31, 2023) of medium/long-term receivables mainly relating to agreements for the sale of transmission capacity under Indefeasible Rights of Use (IRU).

Trade receivables relate, in particular, to TIM S.p.A. (1,330 million euros) and the Brazil Business Unit (739 million euros).

Movements in the provision for bad debts were as follows:

(million euros)	12/31/2024	12/31/2023
At January 1	**463**	**499**
Discontinued Operations	(11)	—
Provision charges to the income statement	184	184
Utilization and decreases	(230)	(225)
Exchange rate differences and other changes	(18)	5
At December 31	**388**	**463**

Miscellaneous receivables (current) refer to other receivables amounting to 896 million euros (752 million euros at December 31, 2023) and are net of a provision for bad debts of 40 million euros (44 million euros at December 31, 2023). Details are as follows:

(million euros)	12/31/2024	12/31/2023
Advances to suppliers	157	335
Receivables from employees	7	10
Tax receivables	219	185
Receivables for grants from the government and public entities	11	10
Sundry receivables	502	212
Total	**896**	**752**

As at December 31, 2024, "tax receivables" refer to the Brazil Business Unit for 143 million euros and to the Domestic Business for 76 million euros.

Receivables for grants from State and Public Entities pertain mainly to projects not related to network infrastructure, financed by MISE and the European Community, particularly projects related to Emerging Technology Centers, while the figure as of December 31, 2023 pertained mainly to projects called Ultra Broadband-BUL and Broadband-BL, which were subject to contribution as part of the NetCo transaction. 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 receivable for tax consolidation from FiberCop S.p.A. (135 million euros) and from Telenergia S.p.A. (2 million euros);
- the current portion (98 million euros) of the receivable from FiberCop S.p.A. for services related to the MSA, which arose as part of the NetCo transaction;
- the TIM S.p.A. receivables for Universal Service (52 million euros);
- receivable for repayment of portion of the penalty pertaining to the A514 proceeding (32 million euros), as per the Council of State ruling of November 13, 2024;

- TIM S.p.A. receivables from social security and pension institutions (48 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 (23 million euros).

Other current assets included:

- **Contract assets**. This item mainly includes:
  - 11 million euros attributable to the parent company 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 the Parent Company TIM S.p.A.to the work carried out in connection with the "5G Coverage Plan" under the NRRP projects.
- **Deferred contract costs** (455 million euros; 536 million euros at December 31, 2023). There are contractual costs (mainly technical activation costs and commissions for the sales network) deferred and charged to the separate income statements according to the expected duration of the contractual relationship with customers (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: (a) costs related to rental charges and other lease and rental costs (278 million euros); (b) after-sales expenses on application offers (53 million euros); (c) insurance premiums (5 million euros); (d) maintenance fees (5 million euros); (e) costs for the purchase of products and services (3 million euros);
  - to the Telecom Italia Sparkle group mainly pertaining to fees for hosting, maintenance and transmission capacity services (15 million euros);
  - to the Brazil Business Unit (15 million euros) for maintenance contracts, insurance and marketing activities.

NOTE 14

DISCONTINUED OPERATIONS /NON-CURRENT ASSETS HELD FOR SALE

At its meeting of July 6, 2022, TIM's Board of Directors approved the strategic objective of reorganizing the Company with the aim of leaving behind the Company’s vertical integration.

In November 2023, the Board of Directors of TIM S.p.A., as a result of an extensive and thorough review conducted with the assistance of leading financial and legal *advisors*, reviewed and accepted the binding offer submitted on October 16, 2023 by Kohlberg Kravis Roberts & Co. L.P. ("KKR") for the purchase of TIM's fixed-line network assets and equity interests held in FiberCop S.p.A. and Telenergia S.r.l. (also referred to as the "NetCo"), by Optics BidCo S.p.A. (a subsidiary of KKR) (hereinafter referred to as the "NetCo Disposal").

Following acceptance of the offer, TIM S.p.A. then signed a *Transaction Agreement* with Optics BidCo that provided:

- the contribution by TIM S.p.A. of a business unit (the "Business Unit") - consisting of the activities related to the Primary Network, the so-called""*Wholesale*" business and the entire stake in the subsidiary Telenergia S.r.l. - in FiberCop S.p.A. ("FiberCop"), a company that already managed the activities related to the secondary fiber and copper network, and
- the simultaneous purchase by Optics Bidco of the entire shareholding held by TIM S.p.A. in FiberCop S.p.A. itself, following the aforementioned transfer.

The *Transaction Agreement* also provided that the consideration for the sale of the stake could also be partially paid through the transfer to Optics BidCo of part of the TIM Group's debt at the same time as the *closing of* the NetCo Disposal (*Liability Management/* Exchange Offers).

In detail, three Exchange Offers were made of new bonds issued by Optics BidCo with bonds previously issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. As of the closing date, a par value of 3,669,680,000 euros was exchanged for bonds issued by TIM S.p.A. and Telecom Italia Finance S.A., and a par value of USD 2,000,011,000 for bonds issued by Telecom Italia Capital S.A. The new bonds issued by Optics BidCo have essentially the same terms as the corresponding original bond series, including maturity, interest rate, interest payment dates and so-called restrictive covenants.

Preliminary activities carried out by TIM S.p.A. for the Disposal of NetCo include obtaining the following authorizations:

- authorization on distortionary foreign subsidies and authorization under the Golden Power framework (obtained in January 2024);
- authorization of the divestment from the European Commission (obtained in May 2024).

Following those authorizations being obtained, TIM S.p.A. made the transfer of the Business Unit to FiberCop with effect on July 1, 2024. also on July 1, 2024, TIM S.p.A. transferred to Optics Bidco the entire stake it held in the share capital of FiberCop and signed, with FiberCop, the so-called Master Services Agreement governing the terms and conditions of the services that are rendered between NetCo and TIM S.p.A.. .

The total consideration for the sale of NetCo amounted to 10,536 million euros, of which 4,247 million euros were settled through cash and other cash equivalents, 5,534 million euros related to the face value of bonds subject to "Exchange Offers," and 755 million euros related to the *fair value* recognition of usage rights on B2B connectivity (with varying durations between 7 and 20 years); The total consideration does not take into account any additional adjustments related to the usual post-closing price adjustment mechanisms.

As part of the transaction, there is also provision for the recognition of possible *earn-outs* in favor of TIM, linked to the occurrence of future events such as, in particular:

- the completion, during the 30 months following the closing date (July 1, 2024), of certain potential consolidation transactions involving NetCo and to the possible introduction of regulatory changes suitable for generating benefits in favor of NetCo, which could result in the payment to TIM of up to 2.5 billion euros;
- the introduction and entry into force by December 31, 2025, of industry incentives that could result in the payment to TIM of up to 400 million euros.

It is finally recalled that the *Master Services Agreement* governing the relationship between TIM S.p.A. and NetCo became effective as of July 1, 2024.

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

(million euros)		2024	2023
Economic effects of Discontinued operations / Non-current assets held for sale:			
Revenues		**892**	**1,985**
Other income		28	65
Acquisition of goods and services		(37)	(73)
Employee benefits expenses		(558)	(1,037)
Other operating expenses/Change in inventories/Internally generated assets		49	125
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**374**	**1,065**
Depreciation and amortization		(765)	(1,571)
Gains (losses) on disposals of non-current assets		—	—
Impairment reversals (losses) on non-current assets		—	—
Operating profit (loss) (EBIT)		**(391)**	**(506)**
Share of profit (losses) of associates and joint ventures accounted for using the equity method and Other income/(expenses) from investments		—	—
Net financial income/expense and other from investments		(188)	(336)
Earnings before tax from Discontinued operations/Non-current assets held for sale		**(579)**	**(842)**
Income tax expense		(51)	(171)
Profit (loss) from Discontinued operations / Non current assets held for sale	**(a)**	**(630)**	**(1,013)**
Economic effects on disposing entities:			
Gross capital gain related to the disposal		325	
Incidental charges and other minor items related to the sale of NetCo		(142)	
Income tax expense related to the disposal		—	
	(b)	**183**	
Profit (loss) from Discontinued operations / Non current assets held for sale	**(a+b)**	**(447)**	**(1,013)**
Attributable to:			
Owners of the Parent		**(511)**	**(1,171)**
Non-controlling interests		64	158

Economic effects of "Discontinued operations / Non-current assets held for sale" include:

- NetCo's economic performance (-630 million in 2024; -1,013 million in 2023) , the sale of which was finalized on July 1, 2024;
- in fiscal year 2024 the gross capital gain related to the sale of NetCo (325 million) and related incidental expenses (142 million). The net capital gain is thus 183 million euros.

It should be recalled that the results of the Business Unit being transferred from TIM to FiberCop S.p.A. do not incorporate in 2023 and the first six months of fiscal year 2024 the positive impacts resulting from the Master Services Agreement that took effect on July 1, 2024 and regulates the provision of services between the two entities.

On the disposal, NetCo's assets and liabilities were detailed as follows:

NetCo - Assets of a financial nature

(million euros)	
Non-current financial assets	78
Current financial assets	226
of which Cash and cash equivalents	*105*
Total	**304**

NetCo - Assets of a non-financial nature

(million euros)	
Non-current assets	
Goodwill	*7,920*
Intangible assets with a finite useful life	*196*
Tangible assets	*9,818*
Rights of use assets	*2,568*
Other non-current assets	*581*
	21,083
Current assets	**1,298**
Total	**22,381**

NetCo - Liabilities of a financial nature

(million euros)	
Non-current financial liabilities	5,625
Current financial liabilities	290
Total	**5,915**

In the context of the NetCo operation, we recall in particular the repayment of the intercompany loan between FiberCop and TIM S.p.A. for 2.3 billion euros, the deconsolidation of FiberCop's net debts to third parties for 1.4 billion euros and the deconsolidation of financial liabilities for lease agreements for 2 billion euros.

NetCo - Liabilities of a non-financial nature

(million euros)	
Non-current liabilities	1,153
Current liabilities	2,408
Total	**3,561**

Earnings per share from Discontinued operations/Non-current assets held for sale attributable to the Shareholders of the Parent Company for 2024 and 2023 are as follows:

(euros)	**2024**	**2023**
Earnings per share from Discontinued operations/Non-current assets		
ordinary share	(0.03)	(0.06)
savings share	(0.03)	(0.06)
Earnings per share from Discontinued operations/Non-current assets		
ordinary share	(0.03)	(0.06)
savings share	(0.03)	(0.06)

Also included in the Consolidated Statement of Comprehensive Income were 11 million euros in 2024 and -5 million euros in 2023 relating to the recognition of changes in actuarial gains/losses included in the Reserve for remeasurements of defined benefit plans within Discontinued Operations/Non-current Assets Held for Sale.

Therefore, the total income from Discontinued Operations/Non-current Assets held for sale is negative 436 million euros in 2024 and negative 1,018 million euros in 2023.

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)	2024	2023
Discontinued operations /Non-current assets held for sale:		
Cash flows from (used in) operating activities	(672)	(275)
Cash flows from (used in) investing activities	(421)	(517)
Cash flows from (used in) financing activities	(151)	(299)
Total	**(1,244)**	**(1,091)**

NOTE 15
EQUITY

This item consisted of:

(million euros)	12/31/2024	12/31/2023
Equity attributable to owners of the Parent	11,957	13,646
Non-controlling interests	1,404	3,867
Total	**13,361**	**17,513**

The composition of **Equity attributable to owners of the Parent** is the following:

(million euros)	12/31/2024		12/31/2023	
Share capital		11,624		11,620
Additional paid-in capital		—		575
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year		333		1,451
Reserve for financial assets measured at fair value through other comprehensive income	(6)		(22)	
Reserve for hedging instruments	(76)		(80)	
Reserve for exchange differences on translating foreign operations	(2,439)		(1,959)	
Reserve for remeasurements of employee defined benefit plans (IAS 19)	(66)		(79)	
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	—		—	
Sundry reserves and retained earnings (accumulated losses), including profit (loss) for the year	2,920		3,591	
Total		**11,957**		**13,646**

As of December 31, 2024, the **Share Capital** is 11,624 million euros, already net of treasury shares of 53 million euros. Capital increased by 4 million euros as a result of the allocation of treasury shares in execution of the second cycle of the Long Term Incentive Plan 2020-2022.

It should be noted that the Parent Company's Share Capital is subject to a tax suspension restriction for tax purposes in the amount of 1,191 million euros (unchanged from December 31, 2023).

Movements in Share Capital during 2024 are presented in the following tables:

Reconciliation between the number of shares outstanding at December 31, 2023 and December 31, 2024

(number of shares)		as at 12/31/2023	Share assignment/ issue	as at 12/31/2024	% of Share Capital
Ordinary shares Issued	(a)	15,329,466,496	—	15,329,466,496	71.78%
less: treasury shares	(b)	(105,062,422)	8,619,620	(96,442,802)	
Ordinary shares outstanding	(c)	15,224,404,074	8,619,620	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)**	**21,252,195,773**	**8,619,620**	**21,260,815,393**	

Reconciliation between the value of shares outstanding at December 31, 2023 and December 31, 2024

(million euros)		Share capital at Dec 31, 2023	Change in share capital	Share capital at
Ordinary shares Issued	(a)	8,381	—	**8,381**
less: treasury shares	(b)	(57)	4	**(53)**
Ordinary shares outstanding	(c)	8,324	4	**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)**	**11,620**	**4**	**11,624**

The total value of ordinary treasury shares at December 31, 2024, amounting to 330 million euros, was recorded as follows: the part relating to accounting par value (57 million euros) recognized as a deduction from the share capital issued and the remaining part as a deduction from Other reserves and retained earnings (accumulated losses), including profit (loss) for the year.

Disclosure on share capital

The ordinary and savings shares of TIM S.p.A. are listed in Italy (FTSE index).

In the shareholder resolutions passed to increase share capital against cash payments, the pre-emption right can be excluded to the maximum extent of ten percent of the pre-existing share capital, on condition that the issue price corresponds to the market price of the shares and that this is confirmed in a specific report issued by the firm charged with the audit of the Company.

The Group sources itself with the capital necessary to fund its business development and operation requirements; the sources of funds are found in a balanced mix of equity, permanently invested by the shareholders, and debt capital, to guarantee a balanced financial structure and minimize the total cost of capital, with a resulting advantage to all the stakeholders.

Debt capital is structured according to different maturities and currencies to ensure an adequate diversification of the sources of funding and an efficient access to external sources of financing (taking advantage of the best opportunities offered in the financial markets of the euro and U.S. dollar areas to minimize costs), taking care to reduce the refinancing risk.

The remuneration of equity is proposed by the Board of Directors to the Shareholders' Meeting, which meets to approve the annual financial statements, based upon market trends and business performance, once all the other obligations are met, including debt servicing. Therefore, to ensure an adequate remuneration of capital, safeguard company continuity and business development, the Group constantly monitors the change in debt levels in relation to equity, the level of net debt and the operating margin of industrial operations.

Privileges of savings shares

The privileges of TIM S.p.A. savings shares are indicated below:

- the profit shown in the duly approved financial statements, after deducting the amount to be allocated to the legal reserve, must be distributed to the holders of savings shares in an amount up to 5% of the 0.55 euros per share;
- after assigning preferred dividends to the savings shares, the distribution of which is approved by the shareholders' meeting, the remaining profit shall be allocated among all the shares, so that savings shares are entitled to higher overall dividends than ordinary shares would be entitled to, to the extent of 2% of 0.55 euros per share;
- when, in any one year, dividends of below 5% of the 0.55 euros per share are paid to the savings shares, the difference is determined as an increase of the privileged dividend in the next two subsequent years;
- in the event of a distribution of reserves, the savings shares have the same rights as the other shares. Moreover, when there is no profit or insufficient profit is reported in the financial statements for a given year to satisfy the aforesaid savings shares privileges, the Shareholders' Meeting called to approve those financial statements may choose to satisfy the dividend right and/or the higher dividend right by distributing available reserves. The distribution of available reserves for such payments excludes the application of the mechanism extending the right to the preferred dividend not paid through the distribution of profits for the following two years;
- the reduction of share capital as a result of losses does not affect the savings shares except for the amount of the loss which is not covered by the portion of the share capital represented by the other shares;
- upon the wind-up of TIM S.p.A., the savings shares have a pre-emption right in the reimbursement of capital up to the amount of 0.55 euros per share;
- in the event of the cessation of trading in the Company's ordinary or savings shares, the holder of savings shares may ask TIM S.p.A. to convert his/her shares into ordinary shares, using the method selected during a special session of the shareholders' meeting called for that purpose within two months of being excluded from trading.

The **Share Premium Reserve**, which amounted to 575 million euros as of December 31, 2023, was zero as of December 31, 2024 as a result of covering the loss for 2023, as resolved by the Shareholders' Meeting on April 23, 2024.

Other reserves moved through the Statements of comprehensive income comprised:

- The **Reserve for financial assets measured at fair value through other comprehensive income**, negative for 6 million euros at December 31, 2024, decreased by 16 million euros compared to the figure at December 31, 2023. Specifically, the movement in 2024 includes gains in the securities portfolio of Telecom Italia Finance (25 million euros, of which 3 million euros were realized), losses in the securities portfolio of Telecom Italia Ventures (2 million euros), losses recognized by Olivetti for the valuation of SECO S.p.A. (17 million euros), profits from other financial assets held by the Parent Company TIM (1 million euros) and profits from the investment in Fin.Priv. S.r.l. of the Parent Company TIM (9 million euros). This reserve is stated net of deferred tax assets of 2 million euros (at December 31, 2023, it was stated net of deferred tax liabilities of 2 million euros).
- The **Reserve for hedging instruments** had a negative balance of 76 million euros at December 31, 2024, (negative 80 million euros at December 31, 2023). This reserve is stated net of deferred tax assets of 23 million euros (at December 31, 2023, it was stated net of deferred tax liabilities of 24 million euros). In particular, this reserve includes the effective portion of gains or losses on the fair value adjustments of derivatives designated as hedges of the exposure to volatility in the cash flows of assets or liabilities recognized in the financial statements ("cash flow hedge").
- The **Reserve for exchange differences on translating foreign operations** showed a negative balance of 2,439 million euros at December 31, 2024 (negative 1,959 million euros at December 31, 2023) and mainly related to exchange differences resulting from the translation into euros of the financial statements of companies belonging to the Brazil Business Unit (negative for 2,472 million euros versus negative for 1,983 million euros at December 31, 2023).
- The **Reserve for the remeasurement of employee defined benefit plans**, negative for 66 million euros, decreased by 13 million euros compared with December 31, 2023 following the recording of the changes in actuarial gains (losses), net of the related income tax effect.
- The **Share of other comprehensive income (losses) of associates and joint ventures accounted for using the equity method** is nil at both December 31, 2024 and December 31, 2023.

Other sundry reserves and retained earnings (accumulated losses), including profit (loss) for the year amounted to 2,920 million euros and decreased by 671 million euros, as detailed below:

(million euros)	2024	2023
Profit (loss) for the year attributable to owners of the Parent	(610)	(1,441)
Dividends approved - TIM S.p.A.	—	—
Equity instruments	—	2
LTI granting of treasury shares	(4)	(6)
Share of loss coverage for the years 2023 and 2022 using Share Premium Reserve	575	1,558
Other changes	(632)	15
Change for the year in Sundry reserves and retained earnings (accumulated losses), including profit (loss) for the year	**(671)**	**128**

No dividends were approved in 2024 and 2023.

Equity attributable to non-controlling interests of 1,404 million euros refers mainly to the companies of the Brazil Business Unit (1,389 million euros) and decreased by 2,463 million euros compared to December 31, 2023 as detailed below:

(million euros)	2024	2023
Profit (loss) for the year attributable to Non-controlling interests	246	334
Group Company dividends paid to minority shareholders	(158)	(197)
Changes in the Reserve for exchange differences on translating foreign operations	(280)	63
NetCo deconsolidation	(2,283)	—
Other changes	12	3
Change for the year in Equity attributable to Non-controlling interest	**(2,463)**	**203**

Dividends from Group companies to minority shareholders mainly referred to the Brazil Business Unit for 158 million euros. Dividends in 2023 mainly referred to the Brazil Business Unit in the amount of 136 million euros and FiberCop S.p.A. in the amount of 61 million euros.

The Reserve for exchange differences on translating foreign operations attributable to non-controlling interest showed a negative balance of 1,190 million euros at December 31, 2024 (negative for 910 million euros at December 31, 2023), relating entirely to exchange differences arising from the translation into euros of the financial statements of the companies belonging to the Brazil Business Unit.

Future potential changes in share capital

Details of “Future potential changes in share capital” are presented in Note 38 “Earnings per share”.

NOTE 16

NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

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

(million euros)		12/31/2024	12/31/2023
Non-current financial liabilities for financing contracts and others			
Financial payables (medium/long-term):			
Bonds		7,527	15,297
Amounts due to banks		701	5,262
Other financial payables		303	310
		8,531	**20,869**
Other medium/long-term financial liabilities:			
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		170	397
Non-hedging derivatives		26	15
Other liabilities		1	3
		197	**415**
	(a)	**8,728**	**21,284**
Non-current financial liabilities for lease contracts	**(b)**	**2,421**	**4,743**
Total non-current financial liabilities	**c=(a+b)**	**11,149**	**26,027**
Current financial liabilities for financing contracts and others			
Short-term financial liabilities:			
Bonds		2,401	3,266
Amounts due to banks		1,144	2,145
Other financial payables		257	242
		3,802	**5,653**
Other short-term financial liabilities:			
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature		23	66
Non-hedging derivatives		44	51
Other liabilities		1	1
		68	**118**
	(d)	**3,870**	**5,771**
Current financial liabilities for lease contracts	**(e)**	**523**	**838**
Total current financial liabilities	**f=(d+e)**	**4,393**	**6,609**
Financial liabilities directly associated with Discontinued operations/ Non-current assets held for sale	**(g)**	**—**	**—**
Total financial liabilities (Gross financial debt)	**h=(c+f+g)**	**15,542**	**32,636**

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

In April 2024, TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A made an Offer to Exchange Existing EUR and USD denominated Notes for New Notes to Bondholders in preparation for the Netco transaction. Exchange operations concluded in May 2024.

The new bonds have substantially the same terms as the corresponding series of original bonds, including in terms of their maturity, interest rate, interest payment dates and restrictive covenants, with the exception of the clause for the exchange of new bonds to Optics BidCo S.p.A. ("Optics") on the date of the completion of the NetCo transaction.

The table below summarizes the Notes still with the TIM Group and those subsequently transferred to Optics on July 1, 2024:

Currency	Nominal value of original notes	Coupon	Maturity date	Original notes TIM Group (nominal value)	New Notes transferred to Optics (nominal value)
Bonds issued by TIM S.p.A.					
Euro	750,000,000	2.875%	1/28/26	375,000,000	375,000,000
Euro	1,000,000,000	3.625%	5/25/26	677,997,000	322,003,000
Euro	1,250,000,000	2.375%	10/12/27	742,285,000	507,715,000
Euro	1,250,000,000	6.875%	2/15/28	625,000,000	625,000,000
Euro	1,500,000,000	7.875%	7/31/28	750,000,000	750,000,000
Euro	1,000,000,000	1.625%	1/18/29	499,180,000	500,820,000
Euro	670,000,000	5.250%	3/17/55	440,000,000	230,000,000
Bonds issued by Telecom Italia Finance S.A.					
Euro	1,015,000,000	7.750%	1/24/33	655,858,000	359,142,000
Bonds issued by Telecom Italia Capital S.A.					
USD	1,000,000,000	6.375%	11/15/33	499,994,000	500,006,000
USD	1,000,000,000	6.000%	9/30/34	499,999,000	500,001,000
USD	1,000,000,000	7.200%	7/18/36	500,000,000	500,000,000
USD	1,000,000,000	7.721%	6/4/38	499,996,000	500,004,000

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

	12/31/2024		12/31/2023	
	(millions in foreign currency)	(million euros)	(millions in foreign currency)	(million euros)
USD	2,044	1,967	5,696	5,155
BRL	21,258	3,304	21,670	4,051
JPY	20,042	123	20,033	128
ILS	33	9	44	11
EUR		10,139		23,291
Total		**15,542**		**32,636**

For the exchange rates used for the conversion of amounts in foreign currency, see the Note 44 "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)	12/31/2024	12/31/2023
Up to 2.5%	1,178	4,138
From 2.5% to 5%	5,313	9,907
From 5% to 7.5%	3,425	10,309
From 7.5% to 10%	2,265	3,742
Over 10%	2,780	3,389
Accruals/deferrals, MTM and derivatives	581	1,151
Total	**15,542**	**32,636**

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

(million euros)	12/31/2024	12/31/2023
Up to 2.5%	2,103	6,390
From 2.5% to 5%	5,328	8,443
From 5% to 7.5%	2,867	9,719
From 7.5% to 10%	1,515	2,917
Over 10%	3,148	4,016
Accruals/deferrals, MTM and derivatives	581	1,151
Total	**15,542**	**32,636**

The maturities of financial liabilities according to the expected nominal repayment amount, as defined by contract, are the following:

	maturing by 12/31 of the year:						
(million euros)	2025	2026	2027	2028	2029	Oltre 2029	Total
Bonds	2,183	1,319	1,008	1,595	499	3,021	9,625
Loans and other financial liabilities	900	144	430	38	246	(242)	1,516
Finance lease liabilities	455	334	331	315	296	1,145	2,876
Total	**3,538**	**1,797**	**1,769**	**1,948**	**1,041**	**3,924**	**14,017**
Current financial liabilities	525	—	—	—	—	—	525
Total	**4,063**	**1,797**	**1,769**	**1,948**	**1,041**	**3,924**	**14,542**

The main components of financial liabilities are commented below.

Bonds are broken down as follows:

(million euros)	12/31/2024	12/31/2023
Non-current portion	7,527	15,297
Current portion	2,401	3,266
Total carrying amount	**9,928**	**18,563**
Fair value adjustment and measurements at amortized cost	(303)	(517)
Total nominal repayment amount	**9,625**	**18,046**

The nominal repayment amount of bonds totaled 9,625 million euros, down 8,421 million euros compared to December 31, 2023 (18,046 million euros) as a result of the repayments during 2024 and the sale of NetCo.

The change in bonds during 2024 was as follows:

(millions in original currency)	Currency	Amount	Repayment date
Repayments			
Telecom Italia S.p.A. 450 million euros 3.625%	Euro	450	1/19/24
Telecom Italia S.p.A. 950 million euros 4.000%	Euro	950	4/11/24
Telecom Italia S.p.A. 1,500 million USD 5.303%	USD	1,500	5/30/24
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	7/25/24
TIM Brasil 5,000 million BRL CDI+2.3%	BRL	294	10/25/24

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. As noted above, on July 1, 2024 a portion of these notes was transferred to Optics following the sale of NetCo:

Currency	Total (millions)	Nominal repayment amount (million euros)	Coupon	Issue date	Maturity date	Issue price (%)	Market price at December 31, 2024 (%)	Market value at December 31, 2024 (million euros)
Bonds issued by TIM S.p.A.								
Euro	1,000	1,000	2.750%	15/4/19	15/4/25	99.320	99.653	996
Euro	1,000	1,000	3.000%	30/9/16	30/9/25	99.806	99.676	997
Euro	375	375	2.875%	28/6/18	1/28/26	100	100.285	376
Euro	678	678	3.625%	25/5/16	5/25/26	100	101.275	687
Euro	742	742	2.375%	12/10/17	10/12/27	99.185	99.332	737
Euro	625	625	6.875%	27/1/23	2/15/28	(*) 100.240	109.394	684
Euro	750	750	7.875%	20/7/23	7/31/28	(*) 100.998	113.346	850
Euro	499	499	1.625%	1/18/21	1/18/29	99.074	94.100	470
Euro	440	440	5.250%	17/3/05	3/17/55	99.667	101.298	446
Subtotal		**6,109**						**6,243**
Bonds issued by Telecom Italia Finance S.A. and guaranteed by TIM S.p.A.								
Euro	656	656	7.750%	24/1/03	1/24/33	(*) 109.646	123.961	813
Subtotal		**656**						**813**
Bonds issued by Telecom Italia Capital S.A. and guaranteed by TIM S.p.A.								
USD	500	481.3	6.375%	29/10/03	11/15/33	99.558	99.788	480
USD	500	481.3	6.000%	6/10/04	9/30/34	99.081	96.644	465
USD	500	481.3	7.200%	18/7/06	7/18/36	99.440	100.848	486
USD	500	481.3	7.721%	4/6/08	6/4/38	100	103.534	498
Subtotal		**1,925**						**1,929**
Bonds issued by TIM S.A.								
BRL	1,600	249	IPCA+4.1682%	15/6/21	15/6/28	100	113.703	283
Subtotal		**249**						**283**
Bonds issued by TIM Brasil Serviços e Participações S.A.								
BRL	4,412	686	CDI+2.3%	31/7/23	25/7/28	100	91.919	**630**
Subtotal		**686**						**630**
Total		**9,625**						**9,898**

(*) 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) amounted to 701 million euros (5,262 million euros at December 31, 2023); of particular note where the early repayment on July 10, 2024 of the syndicated, SACE-guaranteed 2 billion euro credit line subscribed by TIM S.p.A. on July 6, 2022 and the deconsolidation of the 1.5 billion euro bank loan held by FiberCop S.p.A. as part of the NetCo deal. Amounts due to banks (short-term) totaled 1,144 million euros (2,145 million euros at December 31, 2023) and included 868 million euros as the current portion of amounts due to banks (medium/long-term).

Other medium/long-term financial payables totaled 303 million euros (310 million euros at December 31, 2023), 121 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 257 million euros (242 million euros at December 31, 2023) and included 57 million euros as the current portion of other medium/long-term financial payables.

Medium/long-term financial liabilities for lease contracts amounted to 2,421 million euros (4,743 million euros at December 31, 2023), whilst short-term payables totaled 523 million euros (838 million euros at December 31, 2023) and included 474 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 2024 and 2023, the following is noted:

(million euros)	2024	2023
Principal reimbursements	434	443
Cash out interest portion	308	309
Total	**742**	**752**

Hedging derivatives relating to items classified as non-current financial liabilities amounted to 170 million euros (397 million euros at December 31, 2023). Hedging derivatives relating to items classified as current financial liabilities amounted to 23 million euros (66 million euros at December 31, 2023).

Non-hedging derivatives classified as non-current financial liabilities came to 26 million euros (15 million euros at December 31, 2023), while non-hedging derivatives classified as current financial liabilities amounted to 44 million euros (51 million euros at December 31, 2023). 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 in place at December 31, 2024

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 took out a loan of 230 million euros to support national digitalization projects (for which early repayment was made in full on November 15, 2024) and 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 new loan with the EIB for 360 million euros, partially guaranteed by SACE.

Therefore, at December 31, 2024 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 December 31, 2024, 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 December 31, 2024, 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(*) available at December 31, 2024:

(billions of euros)	12/31/2024		12/31/2023	
	Agreed	Drawn down	Agreed	Drawn down
Sustainability-linked RCF – May 2026	4.0	—	4.0	—
Total	**4.0**	**—**	**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).

Rating

At December 31, 2024, 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	Ba3	positive
FITCH RATINGS	BB	stable

NOTE 17
NET FINANCIAL DEBT

The table below shows the breakdown of net financial debt of the TIM Group at December 31, 2024 and December 31, 2023, 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)		12/31/2024	12/31/2023
Liquid assets with banks, financial institutions and post offices	(a)	2,428	2,294
Other cash and cash equivalents	(b)	496	618
Securities other than investments	(c)	1,539	1,882
Liquidity	**(d=a+b+c)**	**4,463**	**4,794**
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(e)	527	1,391
Current portion of non-current financial debt	(f)	3,759	5,044
Current financial debt	**(g=e+f)**	**4,286**	**6,435**
Net current financial debt	**(h=g-d)**	**(177)**	**1,641**
Non-current financial debt (excluding current portion and debt instruments)	(i)	2,987	9,667
Debt instruments	(j)	7,527	15,297
Trade payables and other non-current debt	(k)	51	68
Non-current financial debt	**(l=i+j+k)**	**10,565**	**25,032**
Total net financial debt as per ESMA guidelines 32-382-1138	**(m=h+l)**	**10,388**	**26,673**
Trade payables and other non-current debt		(51)	(68)
Non-current financial receivables arising from lease contracts		(40)	(112)
Current financial receivables arising from lease contracts		(44)	(162)
Financial receivables and other current financial assets		(5)	(515)
Other financial receivables and other non-current financial assets		(11)	(40)
Financial assets/liabilities relating to discontinued operations/non-current assets held for sale		—	—
Subtotal	**(n)**	**(151)**	**(897)**
Net financial debt carrying amount (*)	**(p=m+n)**	**10,237**	**25,776**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(q)	(111)	(120)
Adjusted Net Financial Debt	**(r=p+q)**	**10,126**	**25,656**

(*) 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)		31.12.2023	Cash movements		Non-cash movements			31.12.2024
			Receipts and/or Issues	Payments and/or reimbursements	Exchange differences	Fair value changes	Other changes and reclassifications	
Financial payables (medium/long-term):								
Bonds		18,563		(2,888)	(12)	(79)	(5,656)	9,928
Amounts due to banks		6,295	1,886	(5,078)	(36)		(1,498)	1,569
Other financial payables		326		(31)	(36)		101	360
	(a)	**25,184**	**1,886**	**(7,997)**	**(84)**	**(79)**	**(7,053)**	**11,857**
of which short-term		*4,315*						*3,326*
Medium/long-term finance lease liabilities:		5,529	—	(434)	(390)		(1,810)	2,895
	(b)	**5,529**	**—**	**(434)**	**(390)**	**—**	**(1,810)**	**2,895**
of which short-term		*786*						*474*
Other medium/long-term financial liabilities:								
Hedging derivative liabilities relating to hedged items classified as non-current assets/liabilities of a financial nature		463			(15)	(229)	(26)	193
Non-hedging derivative liabilities		66			(17)	26	(6)	69
Other liabilities		3					(2)	1
	(c)	**532**	**—**	**—**	**(32)**	**(203)**	**(34)**	**263**
of which short-term		*117*						*66*
Short-term financial liabilities:								
Amounts due to banks		1,112					(836)	276
Other financial payables		279			1		(29)	251
	(d)	**1,391**	**—**	**—**	**1**	**—**	**(865)**	**527**
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale:	**(e)**	**—**	**—**	**(151)**	**—**	**—**	**151**	**—**
Total financial liabilities (Gross financial debt)	**(f=a+b+c+d+e)**	**32,636**	**1,886**	**(8,582)**	**(505)**	**(282)**	**(9,611)**	**15,542**
Hedging derivative assets relating to hedged items classified as non-current and current assets/liabilities of a financial nature	**(g)**	1,085			(205)	(264)	(30)	586
Non-hedging derivative receivables	**(h)**	152			7	(9)	6	156
Total	**(i=f-g-h)**	**31,399**	**1,886**	**(8,582)**	**(307)**	**(9)**	**(9,587)**	**14,800**

The change in short-term payables to banks (836 million euros) is due to a change in cash flows mainly due to the opening/closing of repurchased credit agreements and bank credit lines.

Changes related to Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale refer to liabilities for medium/long-term financial leases.

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)	2024	2023
Interest expense paid	(1,839)	(1,931)
Interest income received	553	718
Net total	**(1,286)**	**(1,213)**

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)	2024	2023
Interest expense paid	(1,573)	(1,569)
Interest income received	287	356
Net total	**(1,286)**	**(1,213)**

NOTE 18
FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies of the TIM Group

The TIM Group is exposed to the following financial risks in the ordinary course of its business operations:

- Market risk: stemming from changes in interest rates and exchange rates in connection with financial assets that have been originated and financial liabilities that have been assumed;
- Credit risk: representing the risk of non-fulfillment of obligations undertaken by the counterparty with regard to the liquidity investments of the Group;
- Liquidity risk: connected with the need to meet short-term financial commitments.

These financial risks are managed by:

- the establishment, at central level, of guidelines for directing operations;
- the work of an internal committee that monitors the level of exposure to market risks in accordance with pre-established general objectives;
- the identification of the most suitable financial instruments, including derivatives, to reach pre-established objectives;
- the monitoring of the results achieved;
- the exclusion of the use of financial instruments for speculative purposes.

The policies for the management and the sensitivity analyses of the above financial risks by the TIM Group are described below.

Identification of risks and analysis

The TIM Group is exposed to market risks, as a result of changes in interest rates and exchange rates, in the markets in which it operates or has bond issues, mainly in Europe, the United States and Latin America.

The financial risk management policies of the TIM Group are directed towards diversifying market risks, fully hedging exchange rate risks from its foreign currency denominated liabilities and minimizing interest rate exposure by an appropriate diversification of the portfolio, which is also achieved by using carefully selected derivative financial instruments.

The Group defines an optimum composition of its debt structure by balancing fixed and variable-rates and uses derivative financial instruments to achieve that debt 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 risk, the Group has adopted Guidelines on "Management and control of financial risk" and mainly uses the following financial derivatives:

- Interest Rate Swaps (IRS), to modify the profile of the original exposure to interest rate risks on loans and bonds, both fixed and variable;
- *Cross Currency and Interest Rate Swaps* (CCIRS) and *Currency Forwards*, to convert loans and bonds issued in currencies other than euro (principally in US dollars) to the functional currencies of the operating companies.

Derivative financial instruments are designated as fair value hedges for managing exchange rate and interest rate risks on instruments denominated in currencies other than euro and for managing interest rate risk on fixed-rate loans in euros. Derivative financial instruments are designated as cash flow hedges when the objective is to pre-set the exchange rate of future transactions and the interest rate.

All derivative financial instruments are entered into with banking and financial counterparties with at least a “BBB-” rating from Standard & Poor’s or an equivalent rating and a non-negative outlook. The exposure to the various market risks can be measured by sensitivity analyses, as set forth in IFRS 7. This analysis illustrates the effects produced by a given and assumed change in the levels of the relevant variables in the various reference markets (exchange rates, interest rates and prices) on finance income and expenses and, at times, directly on equity. The sensitivity analysis was performed based on the suppositions and assumptions indicated below:

- sensitivity analyses were performed by applying reasonably likely changes in the relevant risk variables to the amounts in the consolidated financial statements at December 31, 2024;
- changes in value of fixed-rate financial instruments, other than derivatives, produced by changes in the reference interest rates, generate an impact on profit only when, in accordance with IAS 39 and IFRS 9, they are accounted for at their fair value through profit and loss. All fixed-rate instruments, which are accounted for at amortized cost, are not subject to interest rate risk as defined by IFRS 7;
- in the case of fair value hedge relationships, fair value changes of the underlying hedged item and of the derivative instrument, due to changes in the reference interest rates, offset each other almost entirely in the income statement for the year. As a result, these financial instruments are not exposed to the interest rate risk;

- changes in the value of designated financial instruments in a cash flow hedge relationship, produced by changes in interest rates, generate an impact on the debt level and on equity; accordingly, they are included in this analysis;
- the changes in value, produced by changes in the reference interest rates, of variable-rate financial instruments, other than derivatives, which are not part of a cash flow hedge relationship, generate an impact on the finance income and expenses for the year; accordingly they are included in this analysis.

Exchange rate risk – Sensitivity analysis

At December 31, 2024 (and also at December 31, 2023), the exchange rate risk of the Group's loans denominated in currencies other than the functional currency of the single companies' financial statements was hedged in full. Accordingly, a sensitivity analysis was not performed on the exchange rate risk.

Interest rate risk – Sensitivity analysis

The change in interest rates on the variable component of payables and liquidity may lead to higher or lower finance income and expenses, while changes in the level of the expected interest rate affect the fair value measurement of the Group's derivatives. Specifically:

- with regard to derivatives that convert the liabilities contracted by the Group to fixed rates (cash flow hedging), in line with international accounting standards that regulate hedge accounting, the fair value (mark-to-market) measurement of such instruments is set aside in a specific unavailable Equity reserve. The combined change of the numerous market variables to which the mark-to-market calculation is subject between the transaction inception date and the measurement date renders any assumption about the trend of the variables of little significance. As the contract expiration date approaches, the accounting effects described will gradually be absorbed until they cease to exist;
- if at December 31, 2024 the interest rates in the various markets in which the TIM Group operates had been 100 basis points higher/lower compared to the actual rates, then higher/(lower) finance expenses, before the income tax effect, would have been recognized in the consolidated income statement for -7 million euros (42 million euros at December 31, 2023).

Allocation of the financial structure between fixed rate and variable rate

As for the allocation of the financial structure between the fixed-rate component and the variable-rate component, for both financial assets and liabilities, reference should be made to the following tables. These tables have been prepared by taking into account the nominal repayment/investment amount (since that amount expresses the effective interest rate exposure of the Group) and, as far as financial assets are concerned, the intrinsic nature (financial characteristics and duration) of the transactions under consideration rather than the stated contractual terms alone. Bearing that in mind, a transaction whose characteristics (short or very short time frame and frequent renewal) are such that the interest rate is periodically reset on the basis of market parameters, even though the contract does not call for re-fixing the interest rate (as in the case of bank deposits), has been considered in the variable rate category.

Total Financial liabilities (at the nominal repayment amount)

(million euros)	12/31/2024			12/31/2023		
	Rate fixed	Rate variable	Total	Rate fixed	Rate variable	Total
Bonds	8,691	934	9,625	16,812	1,234	18,046
Loans and other financial liabilities	2,827	1,565	4,392	5,463	6,057	11,520
Total non-current financial liabilities (including the current portion of medium/long-term financial liabilities)	**11,518**	**2,499**	**14,017**	**22,275**	**7,291**	**29,566**
Total current financial liabilities	**449**	**76**	**525**	**1,123**	**254**	**1,377**
Total	**11,967**	**2,575**	**14,542**	**23,398**	**7,545**	**30,943**

Total Financial assets (at the nominal investment amount)

(million euros)	12/31/2024			12/31/2023		
	Rate fixed	Rate variable	Total	Rate fixed	Rate variable	Total
Cash and cash equivalents	—	2,427	2,427	—	2,294	2,294
Securities	1,171	884	2,055	1,515	1,044	2,559
Other receivables	443	4	447	1,365	9	1,374
Total	**1,614**	**3,315**	**4,929**	**2,880**	**3,347**	**6,227**

With regard to variable-rate financial instruments, the contracts provide for revisions of the related parameters to take place within the subsequent 12 months.

Effective interest rate

As to the effective interest rate, for the categories where that parameter can be determined, such parameter refers to the original transaction net of the effect of any derivative hedging instruments.

The disclosure, which is provided by class of financial asset and liability, has been determined, for purposes of calculating the weighted average, using the carrying amount adjusted by accruals, prepayments, deferrals and fair value adjustments: this is therefore the amortized cost, net of accruals and any changes in fair value, as a consequence of hedge accounting.

Total Financial Liabilities

(million euros)	12/31/2024		12/31/2023	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Bonds	9,650	5.86	18,019	5.68
Loans and other financial liabilities	5,310	7.15	13,467	5.62
Total	**14,960**	**6.32**	**31,486**	**5.65**

Total Financial assets

(million euros)	12/31/2024		12/31/2023	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Cash and cash equivalents	2,427	2.41	2,294	2.83
Securities	2,055	1.03	2,559	5.16
Other receivables	99	6.79	828	0.84
Total	**4,581**	**1.89**	**5,681**	**3.59**

As for financial assets, the weighted average effective interest rate is not essentially influenced by the existence of derivatives.

As for market risk management using derivatives, reference should be made to Note 19 "Derivatives".

Credit risk

Exposure to credit risk for the TIM Group consists of possible losses that could arise from the failure of either commercial or financial counterparties to fulfill their assumed obligations. To measure this risk over time for impairment of financial assets (trade receivables due from customers included), the introduction of IFRS 9 required switching from the incurred loss model pursuant to IAS 39 to the expected credit loss model.

Such exposure mainly stems from general economic and financial factors, the potential occurrence of specific insolvency situations of some borrowers and other more strictly technical-commercial or administrative factors.

TIM Group's maximum theoretical exposure to credit risk is represented by the carrying amount of the financial assets and trade receivables recorded in the financial statements, excluding guarantees received, described in Note 25 "Disputes and pending legal actions, other information, commitments and guarantees".

Risk related to trade receivables is managed using customer scoring and analysis systems. For specific categories of trade receivables, the Group also makes use of factoring, mainly on a "non-recourse" basis.

Provision charges for bad debts are recorded for specific credit positions that have an element of individual risk. On credit positions that do not have such characteristics, provisions are raised by customer segment according to the average uncollectibility estimated on the basis of statistical indicators. Further details are provided in the Note 13 "Trade and miscellaneous receivables and other current assets".

Financial assets other than trade receivables are written down for impairment on the basis of a general model which recognizes expected credit losses over the following 12 months, or over the residual life of the asset in the event of a substantial worsening of its credit risk. The expected credit loss is calculated based on the default probability and the percentage of credit that cannot be recovered in the event of a default (the loss given default).

The model adopted to calculate the expected credit loss is based on the Bloomberg Credit Risk Model, a model developed by Bloomberg which, starting from Merton's distance-to-default ("DD") concept, estimates the probability of default together with the recovery rate. At the same time, the loss given default is defined as the non-recoverable component of the post-default financial asset.

In particular, the DD - based on balance sheet data - is enriched with a series of additional information by country (macroeconomic, risk), business sector and individual company, as well as accounting adjustments aimed at ensuring uniformity of the model's outputs; finally, through a non-linear function of the DD, the default probability is obtained.

In order to improve credit risk management and relieve pressure on working capital, with specific reference to the offers for the Consumer and Small Business market involving the option of paying for products by installments, starting 2021, the company TIMFin has been operating, the result of the corporate joint venture between Santander Consumer Bank (SCB) and TIM.

Moreover, as regards credit risk relating to the asset components which contribute to the determination of "Net financial debt", it should be noted that the management of the Group's liquidity is guided by conservative criteria and is principally based on the following:

- Money market management: the investment of temporary excess cash resources;
- Bond portfolio management: the investment of medium-term liquidity, as well as the improvement of the average yield of the assets.

In order to mitigate the risk of the non-fulfillment of the obligations undertaken by the counterparty, deposits of the European companies are made with leading banking and financial institutions rated no lower than investment grade and with a non-negative outlook, and investments by the companies in South America are made with leading local counterparties. Moreover, deposits are made generally for periods of less than three months. With regard to other temporary investments of liquidity, there is a bond portfolio in which the investments have a low risk level. All investments have been carried out in compliance with the Group Guidelines on "Management and control of financial risk".

In order to minimize credit risk, the Group also pursues a diversification policy for its investments of liquidity and allocation of its credit positions among different banking counterparties. Consequently, there are no significant positions with any one single counterparty.

Liquidity risk

The Group pursues the objective of achieving an "adequate level of financial flexibility", which is expressed by maintaining a current treasury margin to cover the refinancing requirements at least for the next 12 months with irrevocable bank lines and liquidity.

At December 31, 2024, the liquidity margin available for the TIM Group is 8,364 million euros, with a decrease of 331 million euros with respect to end 2023 (8,695 million euros).

28% of gross financial debt at December 31, 2024 (nominal repayment amount) will become due in the next 12 months.

Current financial assets at December 31, 2024, together with unused committed bank lines, are sufficient to fully cover the Group’s financial liabilities due for the next 36 months.

The following tables report the contractual cash flows, not discounted to present value, relating to gross financial debt at nominal repayment amounts and the interest flows, determined using the terms and the interest and exchange rates in place at December 31, 2024. The portions of principal and interest of the hedged liabilities includes both the disbursements and the receipts of the related hedging instruments. Specifically, the interest portions of "Loans and other financial liabilities" also include those relating to derivatives hedging for both loans and bonds.

Financial liabilities – Maturities of contractually expected disbursements

(million euros)		maturing by 12/31 of the year:						
		2025	**2026**	**2027**	**2028**	**2029**	**Over 2029%**	**Total**
Bonds	Principal	2,183	1,319	1,008	1,595	499	3,021	9,625
	Interest portion	518	431	366	300	213	1,630	3,458
Loans and other financial liabilities (*)	Principal	900	144	430	38	246	(242)	1,516
	Interest portion	150	91	26	11	3	(224)	57
Finance lease liabilities	Principal	455	334	331	315	296	1,145	2,876
	Interest portion	256	223	195	170	141	459	1,444
Non-current financial liabilities	**Principal**	**3,538**	**1,797**	**1,769**	**1,948**	**1,041**	**3,924**	**14,017**
	Interest portion	**924**	**745**	**587**	**481**	**357**	**1,865**	**4,959**
Current financial liabilities	**Principal**	**525**	**—**	**—**	**—**	**—**	**—**	**525**
	Interest portion	**6**	**—**	**—**	**—**	**—**	**—**	**6**
Total	**Principal**	**4,063**	**1,797**	**1,769**	**1,948**	**1,041**	**3,924**	**14,542**
	Interest portion	**930**	**745**	**587**	**481**	**357**	**1,865**	**4,965**

(*) These include hedging and non-hedging derivatives.

Derivatives on financial liabilities – Contractually expected interest flows

(million euros)	maturing by 12/31 of the year: 2025	2026	2027	2028	2029	Over 2029%	Total
Disbursements	156	154	154	155	154	569	1,342
Receipts	(188)	(186)	(186)	(186)	(186)	(844)	(1,776)
Hedging derivatives – net (receipts) disbursements	**(32)**	**(32)**	**(32)**	**(31)**	**(32)**	**(275)**	**(434)**
Disbursements	104	175	157	116	12	19	583
Receipts	(59)	(152)	(147)	(119)	(10)	(17)	(504)
Non-Hedging derivatives – net (receipts) disbursements	**45**	**23**	**10**	**(3)**	**2**	**2**	**79**
Total net disbursements (receipts)	**13**	**(9)**	**(22)**	**(34)**	**(30)**	**(273)**	**(355)**

Market value of derivative instruments

In order to determine the fair value of derivatives, the TIM Group uses various valuation models.

The mark-to-market calculation is determined by the present value discounting of the interest and notional future contractual flows using market interest rates and exchange rates.

The notional amount of IRS does not represent the amount exchanged between the parties and, therefore, is not a measurement of credit risk exposure, which, instead, is limited to the amount of the difference between the interest rates paid/received.

The market value of CCIRSs, on the other hand, also depends on the differential between the reference exchange rate at the date of signing the contract and the exchange rate at the date of measurement, since CCIRSs involve the exchange of the reference interest and principal, in the respective denomination currencies.

The options are measured according to the Black & Scholes or Binomial models and involve the use of various measurements factors, such as: the lifetime horizon of the option, the risk-free rate of return, current price, volatility and any cash flows (e.g. dividend) of the underlying financial instrument, and the exercise price.

NOTE 19
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, 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 December 31, 2024 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 (CCIRSs), currency forwards and foreign exchange options to convert the loans/receivables secured in currencies different from the functional currencies of the various Group companies.

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.

Hedges: economic relationship between underlying instrument and derivatives

Hedging relationships recorded in hedge accounting at December 31, 2024 belong to a single item: hedging of cash flows from income flows of bond issues.

The hedged risk is represented by the variability in cash flows (and the repayment of the nominal amount) generated by exchange rates; hedging comprises combinations of IRS and CCIRS that synthetically transform fixed rate foreign currency income flows into fixed rate euro flows. In this case, exchange rate fluctuations will usually produce contrary effects on the underlying asset and on the derivative, as the asset leg of the latter faithfully reflects the underlying asset, while the liability leg is denominated in euro and is therefore insensitive to the exchange rate.

Hedges: determination of the hedge ratio

The types of hedging implemented by the Group require the adoption of a hedge ratio equal to 1:1, as the types of risk hedged (interest rate and exchange rate risks) are such as to generate economic effects in the underlying instruments that can only be offset by the same notional quantities of derivative instruments.

Hedges: potential sources of ineffectiveness

The contractualization of derivatives to hedge financial risks takes place at arm's length and aims to completely neutralize the effects produced by such instruments.

However, in practice, hedges (although financially perfect) may not guarantee an absolute accounting effectiveness due to the many counterparty banks involved, to the peculiar nature of certain derivatives in terms, for example, of fixing and/or indexing of variable parameters, and to the possible imperfect coincidence between critical terms.

The first table indicates total financial derivatives of the TIM Group at December 31, 2024 and 2023; in compliance with standard IFRS 7, notional amounts are shown with reference to all the derivative instruments involved in the hedges.

The following tables break down 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, for IRS in a currency other than the euro, the value is indicated at the market exchange rate.

Type (million euros)	**Hedged risk**	**Notional amount at 12/31/2024**	**Notional amount at 12/31/2023**	**Mark to Market Spot* (Clean Price) at 12/31/2024**	**Mark to Market Spot* (Clean Price) at 12/31/2023**
Interest rate swaps	Interest rate risk	—	—	—	—
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	—	—	—	—
Total Fair Value Hedge Derivatives		**—**	**—**	**—**	**—**
Interest rate swaps	Interest rate risk	2,403	4,474	(30)	130
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	1,968	4,841	352	417
Total Cash Flow Hedge Derivatives		**4,371**	**9,315**	**322**	**547**
Total Non-Hedge Accounting Derivatives		**1,025**	**1,205**	**32**	**44**
Total TIM Group's Derivatives		**5,396**	**10,520**	**354**	**591**

* Spot Mark-to-market above represents the market measurement of the derivative net of the accrued portion of the flow in progress.

The non-hedging category of derivatives includes the value of the right held by TIM Brasil to subscribe shares of the Brazilian C6 Bank - of 81 million euros - on the basis of a commercial agreement signed by the two companies in March 2020.

Fair value hedges (million euros)	**Accounting item**		**Notional value**	**Carrying amount**	**Change in fair value for the year**
Interest rate swaps	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets.	a)		—	
Assets				—	
Liabilities				—	
Cross Currency and Interest Rate Swaps (CCIRS)	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets.	b)	—	—	—
Assets				—	
Liabilities				—	
Derivative instruments (spot value)		a)+b)		—	
Accruals					
Derivative instruments (gross value)					
Underlying instruments (1)	Bonds - Current/non-current liabilities				
of which fair value adjustment	Fair value adjustment and measurements at amortized cost	c)		—	
Ineffectiveness		a)+b)+c)			
Fair value adjustment for hedging settled in advance (2)				(23)	

(1) Includes the amortized cost value of bonds currently hedged plus the fair value adjustment.

(2) Referred to bonds no longer hedged, which are therefore not presented in the table.

Cash flow hedges (million euros)	**Accounting item**		**Notional value**	**Carrying amount**	**Change in fair value for the year**	**Change in cumulative fair value**
Interest rate swaps	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets.	a)	**2,403**	**(30)**	**(160)**	
Assets				113	(276)	
Liabilities				(143)	116	
Cross Currency and Interest Rate Swaps (CCIRS)	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets.	b)	**1,968**	**352**	**(65)**	
Assets				413	(186)	
Liabilities				(62)	121	
Derivative instruments (spot value)		a)+b)	**4,371**	**322**	**(225)**	
Accruals				71		
Derivative instruments (gross value)				**393**		
of which equity reserve gains and losses					43	
Determination of ineffectiveness						
Change in derivatives		c)				325
Change in underlying instruments [3]		d)				(307)
Ineffectiveness [4]	Positive fair value adjustment of financial derivatives - non-hedging	c)+d)				15
Equity reserve						
Equity reserve balance				(99)		
of which due to the fair value of hedging settled in advance					—	
Reclassification to P&L	Negative reversal of the reserve for the fair value adjustment of hedging derivatives (cash flow hedges)				(39)	

(3) Hypothetical derivatives used in measuring the effectiveness of cash flow hedges.
(4) The ineffectiveness, due to its nature and calculation, does not necessarily coincide with the difference in cumulative changes in the fair value of derivatives and the underlying instrument; the effect due to the adoption of CVA/DVA is not considered.

The change in the equity reserve attributable to the effective hedging component is equal to 4 million euros.

Changes in the equity cash flow hedge reserve (million euros)	**Balance 12/31/2023**	**Change**				**Balance 12/31/2024**
		Hedging instrument gains / losses	**Reversal from reclassification**	**Reversal from fair value adjustment of hedging settled in advance**	**Total change**	
	(103)					(99)
Change in the effective fair value of derivatives		43				
Change in the CVA/DVA		(2)				
Reversal for ineffectiveness 2019			(39)			
Amortization in P&L of the fair value of hedging settled in advance				2		
Overall change					**4**	

None of the parameters represented includes any income tax effect.

The transactions hedged by cash flow hedges will generate cash flows and produce economic effects in the income statement in the periods indicated in the following table:

Denomination currency	**Notional amount in denomination currency** (millions)	**Start of period**	**End of period**	**Rate applied**	**Interest period**	**Hedging of notional amount in euro** (millions)	**Hedging of rate in euro**
JPY*	20,000	Jan-25	Oct-29	5.000%	Semiannually	174	6.940%
JPY**	20,000	Jan-25	Oct-29	0.750%	Semiannually	138	0.696%
USD	500	Jan-25	Nov-33	6.375%	Semiannually	849	5.855%
USD	1,500	Jan-25	May-24	5.303%	Semiannually	1,321	4.180%
USD	500	Jan-25	Sep-34	6.000%	Semiannually	794	4.340%
USD	500	Jan-25	Jul-36	7.200%	Semiannually	791	5.883%
USD	500	Jan-25	Jun-38	7.721%	Semiannually	645	7.461%

* Income cash flows are denominated in USD and calculated on a notional amount of USD 185.6 million.
** Hedging of the sole income cash flow following a step-up on the loan.

For hedge accounting purposes, the Volatility Risk Reduction (VRR) Test was chosen to test the retrospective and prospective effectiveness of all hedges.This test assesses the ratio between the portfolio risk (meaning the derivative and the item hedged) and the risk of the hedged item taken individually. In essence, the portfolio risk must be significantly lower than the risk of the hedged item.

NOTE 20

SUPPLEMENTARY DISCLOSURES ON FINANCIAL INSTRUMENTS

Measurement at fair value

For the purposes of the comparative information between the carrying amounts and fair value of financial instruments, required by IFRS 7, the majority of the non-current financial liabilities of the TIM Group consist of bonds, whose fair value is directly observable in the financial markets, as they are financial instruments that due to their size and diffusion among investors, are commonly traded on the relevant markets (see the Note "Non-current and current financial liabilities"). For other types of financing, however, the following assumptions have been made in determining fair value:

- for variable-rate loans, the nominal repayment amount has been assumed; for fixed-rate loans;
- for fixed-rate loans, the present value of future cash flows at the market interest rates of December 31, 2024 has been assumed;
- the carrying amount has been used for some types of loans granted by government institutions for social development purposes, for which fair value cannot be reliably calculated.

Lastly, for the majority of financial assets, their carrying amount is a reasonable approximation of their fair value, since these are short-term investments that are readily convertible into cash.

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 introduces the following levels of input:

- 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, for assets and liabilities at December 31, 2024 and December 31, 2023 and in accordance with the categories established by IFRS 9, the supplementary disclosures on financial instruments required by IFRS 7 and the schedules of gains and losses. They do not include Discontinued operations/Non-current assets held for sale and Liabilities directly associated with Discontinued operations/Non-current assets held for sale.

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

Carrying amount and fair value hierarchy for each category/class of financial asset/liability and comparison with their fair value at 12/31/2024

(million euros)	IFRS 9 categories	notes	Carrying amount at December 31, 2024	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2024
				Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Level 1	Level 2	Level 3		
ASSETS											
Financial assets measured at amortized cost	AC		**5,493**	**5,493**							**5,493**
Non-current assets											
Receivables from employees		(9)	*11*	*11*							
Miscellaneous non-current receivables		(10)	*147*	*147*							
Current assets											
Receivables from employees		(9)	*3*	*3*							
Other short-term financial receivables		(9)	*2*	*2*							
Cash and cash equivalents		(9)	*2,924*	*2,924*							
Trade receivables		13)	*2,309*	*2,309*							
Other current receivables		13)	*69*	*69*							
Contract assets		13)	*28*	*28*							
Financial assets measured at fair value through other comprehensive income	FVTOCI		**1,208**		**1,208**						**1,208**
Non-current assets											
Other investments		(8)	*92*		*92*		*19*	*32*	*41*		
Current assets											
Securities other than investments		(9)	*1,116*		*1,116*		*1,116*				
Financial assets measured at fair value through profit or loss	FVTPL		**637**			**637**					**637**
Non-current assets											
Other investments		(8)	*58*			*58*	*33*	*25*			
Non-hedging derivatives		(9)	*81*			*81*		*81*			
Current assets											
Securities other than investments		(9)	*423*			*423*	*423*				
Non-hedging derivatives		(9)	*75*			*75*		*75*			
Hedge Derivatives	HD		**586**		**586**						**586**
Non-current assets											
Hedge Derivatives		(9)	*554*		*554*			*554*			
Current assets											
Hedge Derivatives		(9)	*32*		*32*			*32*			
Financial receivables for lease contracts	n.a.		**84**							**84**	**84**
Non-current assets		(9)	*40*							*40*	
Current assets		(9)	*44*							*44*	
Total			**8,008**	**5,493**	**1,794**	**637**	**1,591**	**799**	**41**	**84**	**8,008**

The financial instruments belonging to hierarchy level 3 of fair value are represented by the following Other investments recognized as Non-current assets, for which directly or indirectly observable prices on the market are not available:

- Northgate CommsTech Innovations Partners L.P.;
- UV T-Growth;
- Other minor companies.

Northgate CommsTech Innovations Partners L.P. and UV-T Growth was measured based on the latest available Net Asset Values reported by the fund managers.

The other minor companies were measured on the basis of an analysis, deemed reliable, of their main assets and liabilities.

The profit/(loss) recognized in Other components of the Consolidated Statements of Comprehensive Income were recognized within the scope of the Reserve for financial assets measured at fair value through other comprehensive income.

(million euros)	IFRS 9 categories	notes	Carrying amount at December 31, 2024	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2024
				Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Level 1	Level 2	Level 3		
LIABILITIES											
Financial liabilities measured at amortized cost	AC/HD		**16,924**	**16,924**							**17,137**
Non-current liabilities											
Medium- and long-term financial payables and other liabilities		16)	*8,532*	*8,532*							
Current liabilities											
Short-term financial payables and other liabilities		16)	*3,803*	*3,803*							
Trade and miscellaneous payables and other current liabilities		24)	*4,488*	*4,488*							
Contract liabilities		24)	*101*	*101*							
Financial liabilities measured at fair value through profit or loss	FVTPL		**70**			**70**					**70**
Non-current liabilities											
Non-hedging derivatives		16)	*26*			*26*		*26*			
Current liabilities											
Non-hedging derivatives		16)	*44*			*44*		*44*			
Hedge Derivatives	HD		**193**		**193**						**193**
Non-current liabilities											
Hedge Derivatives		16)	*170*		*170*			*170*			
Current liabilities											
Hedge Derivatives		16)	*23*		*23*			*23*			
Finance lease liabilities	n.a.		**2,944**							**2,944**	**2,736**
Non-current liabilities		16)	*2,421*							*2,421*	
Current liabilities		16)	*523*							*523*	
Total			**20,131**	**16,924**	**193**	**70**		**263**		**2,944**	**20,136**

Carrying amount and fair value hierarchy for each category/class of financial asset/liability and comparison with their fair value at 12/31/2023

				Amounts recognized in financial statements			Levels of hierarchy of fair value				
(million euros)	IFRS 9 categories	notes	Carrying amount in financial statements at 12/31/2023	Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Level 1	Level 2	Level 3	Carrying amount under IFRS 16	Fair Value at 12/31/2023
ASSETS											
Financial assets measured at amortized cost	AC		**6,656**	**6,656**							**6,656**
Non-current assets											
Receivables from employees		(9)	*31*	*31*							
Other financial receivables		(9)	*9*	*9*							
Miscellaneous non-current receivables		(10)	*154*	*154*							
Current assets											
Receivables from employees		(9)	*24*	*24*							
Other short-term financial receivables		(9)	*491*	*491*							
Cash and cash equivalents		(9)	*2,912*	*2,912*							
Trade receivables		13)	*2,907*	*2,907*							
Other current receivables		13)	*60*	*60*							
Contract assets		13)	*68*	*68*							
Financial assets measured at fair value through other comprehensive income	FVTOCI		**1,616**		**1,616**						**1,616**
Non-current assets											
Other investments		(8)	*100*		*100*		*36*	*23*	*41*		
Current assets											
Securities other than investments		(9)	*1,516*		*1,516*		*1,516*				
Financial assets measured at fair value through profit or loss	FVTPL		**558**			**558**					**558**
Non-current assets											
Other investments		(8)	*40*			*40*	*10*	*30*			
Non-hedging derivatives		(9)	*95*			*95*		*95*			
Current assets											
Securities other than investments		(9)	*366*			*366*	*366*				
Non-hedging derivatives		(9)	*57*			*57*		*57*			
Hedge Derivatives	HD		**1,085**		**1,085**						**1,085**
Non-current assets											
Hedge Derivatives		(9)	*968*		*968*			*968*			
Current assets											
Hedge Derivatives		(9)	*117*		*117*			*117*			
Financial receivables for lease contracts	n.a.		**274**							**274**	**274**
Non-current assets		(9)	*112*							*112*	
Current assets		(9)	*162*							*162*	
Total			**10,189**	**6,656**	**2,701**	**558**	**1,928**	**1,290**	**41**	**274**	**10,189**

(million euros)	IFRS 9 categories	notes	Carrying amount in financial statements at 12/31/2023	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2023
				Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Level 1	Level 2	Level 3		
LIABILITIES											
Financial liabilities measured at amortized cost	AC/HD		**32,173**	**32,173**							**32,192**
Non-current liabilities											
Financial payables (medium/long-term)		16)	*20,872*	*20,872*							
Current liabilities											
Financial payables (short-term)		16)	*5,654*	*5,654*							
Trade and miscellaneous payables and other current liabilities		24)	*5,542*	*5,542*							
Contract liabilities		24)	*105*	*105*							
Financial liabilities measured at fair value through profit or loss	FVTPL		**66**			**66**					**66**
Non-current liabilities											
Non-hedging derivatives		16)	*15*			*15*			*15*		
Current liabilities											
Non-hedging derivatives		16)	*51*			*51*		*51*			
Hedge Derivatives	HD		**463**		**463**						**463**
Non-current liabilities											
Hedge Derivatives		16)	*397*		*397*			*397*			
Current liabilities											
Hedge Derivatives		16)	*66*		*66*			*66*			
Finance lease liabilities	n.a.		**5,581**							**5,581**	**5,693**
Non-current liabilities		16)	*4,743*							*4,743*	
Current liabilities		16)	*838*							*838*	
Total			**38,283**	**32,173**	**463**	**66**		**514**	**15**	**5,581**	**38,414**

Gains and losses by IAS 9 category - Year 2024

(million euros)	IFRS 9 categories	**Net gains/ (losses) 2024**	**of which interest**
Assets measured at amortized cost	AC	(135)	122
Assets and liabilities measured at fair value through profit or loss	FVTPL	(4)	
Assets measured at fair value through other comprehensive income	FVTOCI	40	
Liabilities measured at amortized cost	AC	(1,105)	1,055
Total		**(1,204)**	**1,177**

Gains and losses by IAS 9 category - Year 2023

(million euros)	IFRS 9 categories	**Net gains/ (losses) 2023**	**of which interest**
Assets measured at amortized cost	AC	(190)	117
Assets and liabilities measured at fair value through profit or loss	FVTPL	(55)	
Assets measured at fair value through other comprehensive income	FVTOCI	—	
Liabilities measured at amortized cost	AC	(1,366)	1,242
Total		**(1,542)**	**1,359**

NOTE 21
EMPLOYEE BENEFITS

These decreased by 312 million euros compared to December 31, 2023. The breakdown is as follows:

(million euros)		12/31/2022	Increases/ Present value	Decrease	Exchange differences and other changes	12/31/2023
Provision for employee severance	**(a)**	**553**	**25**	**(81)**	**(1)**	**496**
Provisions for pension plans		16	1	(2)	—	15
Provision for termination benefit incentives and corporate restructuring		223	14	(213)	(20)	4
Total other employee benefits	**(b)**	**239**	**15**	**(215)**	**(20)**	**19**
Total	**(a+b)**	**792**	**40**	**(296)**	**(21)**	**515**
of which:						
Non-current portion		684				511
Current portion (*)		108				4

(*) The current portion refers only to Other provisions for employee benefits.

(million euros)		12/31/2023	Discontinued Operations	Increases/ Present value	Decrease	Exchange differences and other	12/31/2024
Provision for employee severance	**(a)**	**496**	**(305)**	**4**	**(9)**	**—**	**186**
Provision for pension and other plans		15		1	(2)	—	14
Provision for termination benefit incentives and corporate restructuring		4		—	(1)	—	3
Total other employee benefits	**(b)**	**19**		**1**	**(3)**	**—**	**17**
Total	**(a+b)**	**515**	**(305)**	**5**	**(12)**	**—**	**203**
of which:							
Non-current portion		511					200
Current portion (*)		4					3

(*) The current portion refers only to Other provisions for employee benefits.

The **Provision for employee severance indemnities** refers to only Italian companies and in 2024 was down 310 million euros, mainly due to the NetCo transaction and indemnities paid during the year to employees whose employment was terminated or for advances.

The changes recorded in "Increases/Present value" are as follows:

(million euros)	2024	2023
(Positive)/negative effect of curtailment	—	—
Current service cost (*)	—	—
Finance expenses	6	17
Net actuarial (gains) losses for the year	(2)	8
Total	**4**	**25**
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.

The net actuarial losses recognized at December 31, 2024 amounted to 2 million euros (net actuarial gains of 8 million euros in 2023), and are essentially connected with both staff turnover and changes to the technical-economic parameters used in the valuation: the inflation rate remained unchanged from December 31, 2023, at 2.00%; the discount rate increased, going from the 3.08% used at December 31, 2023 to 3.18% at December 31, 2024.

According to Italian law, the severance indemnity to which each employee is entitled depends on the period of service and must be paid when the employee leaves the company. The severance indemnity due upon termination of employment is calculated on the basis of the period of employment and the taxable compensation of each employee. This liability is adjusted annually based on the official cost-of-living index and legally-set interest. The liability is not associated with any vesting condition or period or any funding obligation; accordingly, there are no assets servicing the provision. The liability is recognized net of the partial prepayments of the provision and payments of the amounts obtained by employees for the reasons permitted by the applicable regulations.

Under the regulations introduced by Italian Legislative Decree 252/2005 and Law no. 296/2006 with which, for companies with at least 50 employees, the severance indemnities accruing from 2007 are assigned, as elected by the employees, to either the INPS Treasury Fund or to supplementary pension funds and take the form of a "defined contribution plan".

However, for all companies, the revaluations of the amounts in the provision for employee severance indemnities existing at the election date, and also the amounts accrued and not assigned to supplementary pension plans for companies with less than 50 employees, are retained in the provision for employee severance indemnities. In accordance with IAS 19, the provision has been recognized as a “defined benefit plan”.

In application of IAS 19, employee severance indemnities have been calculated using the “Projected Unit Credit Method” as follows:

- the future possible benefits which could be paid to each employee registered in the program in the event of retirement, death, disability, resignation, etc. have been projected on the basis of a series of financial assumptions (cost-of-living increases, interest rate, increase in compensation, etc.). The estimate of future benefits includes any increases for additional service seniority, as well as the estimated increase in the compensation level at the measurement date – only for employees of companies with less than 50 employees during the year 2006;
- the average present value of future benefits has been calculated, at the measurement date, on the basis of the annual interest rate adopted and of the probability that each benefit actually has to be paid;
- the liability of each company concerned has been calculated as the average present value of future benefits that will be generated by the existing provision at the measurement date, without considering any future accruals (for companies with at least 50 employees during the year 2006) or by identifying the amount of the average present value of future benefits which refer to the past service already accrued by the employee in the company at the measurement date (for the others), i.e. adopting the “service pro-rate”.

The following assumptions have been made:

FINANCIAL ASSUMPTIONS	Executives	Non-executives
Inflation rate	**2.00% per annum**	**2.00% per annum**
Discount rate	**3.18% per annum**	**3.18% per annum**
Employee severance indemnities annual increase rate	**3.0% per annum**	**3.0% per annum**
Annual real wage growth:		
equal to or less than 40 years of age	1.0% per annum	1.0% per annum
over 40 but equal to or less than 55 years of age	0.5% per annum	0.5% per annum
over 55 years of age	0.0% per annum	0.0% per annum
DEMOGRAPHIC ASSUMPTIONS	**Executives**	**Non-executives**
Probability of death	ISTAT 2022	ISTAT 2022
Probability of disability	INPS tables divided by age and sex	INPS tables divided by age and sex
Probability of resignation:		
up to 40 years of age	2.00%	1.00%
from 41 to 50 years of age	2.00%	0.50%
from 51 to 59 years of age	1.00%	0.50%
from 60 to 64 years of age	None	0.50%
aged 65 and over	None	None
Probability of retirement	100% on achievement of the AGO requirements aligned with D.L. 4/2019	
Probability of receiving at the beginning of the year an advance from the provision for severance indemnities accrued equal to 70%	1.5% per annum	1.5% per annum

The application of the above assumptions resulted in a liability for employee severance indemnities of 186 million euros at December 31, 2024 (496 million euros at December 31, 2023).

Reported below is a sensitivity analysis for each significant actuarial assumption adopted to calculate the liability as at year end; showing how the liability would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date, stated in amounts.

The weighted average duration of the obligation of the Parent amounted to 8.9 years.

CHANGES IN ASSUMPTIONS	Amounts (million euros)
Turnover rate:	
+0.50 p.p.	—
-0.50 p.p.	—
Annual inflation rate:	
+0.50 p.p.	6
-0.50 p.p.	(6)
Annual discount rate:	
+0.50 p.p.	(8)
-0.50 p.p.	8

The **Provision for pension and other plans** amounted to 14 million euros at December 31, 2024 (15 million euros at December 31, 2023) and mainly represented pension plans in place at foreign companies of the Group.

Provisions for termination benefit incentives and corporate restructuring amounted to 3 million euros at December 31, 2024, decreasing in 2024 by 1 million euros, mainly due to staff departures and the reclassification to debt of amounts not yet paid in relation to plans already set aside in previous years by Italian companies in the Domestic Business Unit.

NOTE 22
PROVISIONS

These decreased by 308 million euros compared to December 31, 2023. The breakdown is as follows:

(million euros)	12/31/2023	Discontinued operations	Increase	Taken to income	Used directly	Exchange differences and other changes	12/31/2024
Provision for taxation and tax risks	**129**		16		(14)	(11)	**120**
Provision for restoration costs	**310**	(222)	8		(2)	(14)	**80**
Provision for legal disputes	**472**		96	(1)	(74)	(19)	**474**
Provision for commercial risks	**251**		25		(124)	2	**154**
Provision for risks and charges on investments and corporate-related transactions	**11**		28				**39**
Other provisions	**12**	(1)			(1)		**10**
Total	**1,185**	**(223)**	**173**	**(1)**	**(215)**	**(42)**	**877**
of which:							
Non-current portion	**679**						**485**
current portion	**506**						**392**

The non-current portion of provisions for risks and charges mainly relates to some of the provision for commercial risks, the provision for legal disputes and the provision for restoration costs. More specifically, in accordance with accounting policies, the total amount of the provision for restoration costs is calculated by re-measuring the amounts for which a probable outlay is envisaged, based on the estimated inflation rates for the individual due dates, and subsequently discounted to the reporting date based on the average cost of debt, taking into account expected cash outflows.

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 December 31, 2024, this is mainly attributable to the Parent Company TIM S.p.A. (71 million euros) and to the Brazil Business Unit (9 million euros). The reduction from December 31, 2023 is mainly attributable to the NetCo transaction.

The **provision for legal disputes** included the provision for litigation with other counterparties and employees. The amount at December 31, 2024 included 349 million euros for the Domestic Business Unit and 125 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.. This provision decreased by 97 million euros in 2024, mainly relating to movements in the provision for contractual risks for onerous contracts (IAS 37) of the Parent Company TIM S.p.A. At December 31, 2024, the provision for contractual risks for onerous contracts amounted to 70 million euros, which is sufficient to compensate the negative margins over the entire duration of the surviving contract under a connectivity arrangement. It should be noted that, during 2024, the contract was entered into with DAZN and the related risk provision (110 million euros) was fully used.

NOTE 23

MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

These decreased by 430 million euros compared to December 31, 2023. The breakdown is as follows:

(million euros)		12/31/2024	12/31/2023
Miscellaneous payables (non-current)			
Payables to social security agencies		381	595
Income tax payables (*)		1	—
Other payables		11	24
	(a)	**393**	**619**
Other non-current liabilities			
Deferred revenues from customer contracts (Contract liabilities)		128	103
Other deferred revenue and income		360	329
Capital grants		15	275
	(b)	**503**	**707**
Total	(a+b)	**896**	**1,326**

(*) Analyzed in the Note "Income tax expense".

Miscellaneous payables (non-current) include:

- **payables to social security agencies** amounting to 381 million euros mainly related to the non-current debt position with INPS against the application of the agreements signed with the Trade Unions concerning the application of Art. 4 of Law no. 92 of June 28, 2012 and former Art. 41, paragraph 5bis, Legislative Decree no. 148/2015. This debt position (non-current and current portion) is as follows:

(million euros)	12/31/2024	12/31/2023
Non-current payables		
Due from 2 to 5 years after the end of the reporting period	367	538
Due beyond 5 years after the end of the reporting period	14	57
	381	**595**
Current payables	**231**	**290**
Total	**612**	**885**

- **other payables** amounting to 11 million euros mainly pertaining to the Brazil Business Unit.

Other non-current liabilities include:

- **Deferred revenues from contracts with customers (contract liabilities)** of 128 million euros (103 million euros at December 31, 2023) 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 December 31, 2024 will be reversed to the income statement generally by 2026. In particular, the item includes:
  - TIM S.p.A. deferred revenues for subscription charges and rent and maintenance payments (79 million euros);
  - Deferred revenues of TIM S.p.A. for outsourcing charges (26 million euros).
- **Other deferred income and income** amounting to 360 million euros which mainly includes:
  - the non-current portion of deferred income related to the Master Services Agreement signed by TIM S.p.A. with FiberCop S.p.A. (207 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. 81 million euros);
  - The non-current portion of deferred revenues related to agreements for the sale of the transmission capacity.
- **Capital grants** of 15 million euros; 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 24

TRADE AND MISCELLANEOUS PAYABLES AND OTHER CURRENT LIABILITIES

This item rose by 2,310 million euros compared to December 31, 2023. The figure breaks down as follows:

(million euros)		12/31/2024	*of which Financial Instruments*	12/31/2023	*of which Financial Instruments*
Trade payables					
Payables due to suppliers		4,029	*4,029*	5,042	*5,042*
Payables to other telecommunications operators		322	*322*	399	*399*
	(a)	**4,351**	***4,351***	**5,441**	***5,441***
Tax payables	**(b)**	**136**		**194**	
Miscellaneous payables					
Payables for employee compensation		183		323	
Payables to social security agencies		308		415	
Payables for TLC operating fee		527		480	
Dividends approved, but not yet paid to shareholders		48	*48*	52	*52*
Other		216	*89*	1,047	*49*
Employee benefits (except for employee severance indemnities) for the current portion expected to be settled within 12 months		3		4	
Provisions for risks and charges for the current portion expected to be settled within 12 months		392		506	
	(c)	**1,677**	***137***	**2,827**	***101***
Other current liabilities					
Liabilities from customer contracts (Contract liabilities)		797	*101*	829	*105*
Other deferred revenue and income		113		50	
Other				43	
	(d)	**910**	***101***	**922**	***105***
Total	**(a+b+c+d)**	**7,074**	**4,589**	**9,384**	***5,647***

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

Trade payables, amounting to 4,351 million euros (5,441 million euros as of December 31, 2023) mainly refer to the Domestic Business Unit (3,525 million euros) and the Brazil Business Unit (824 million euros).

As of December 31, 2024, trade payables due in more than 12 months amounted to 40 million euros (44 million euros as of December 31, 2023) and are mainly represented by payables of the Brazil Business Unit for the renewal of telecommunications 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 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 2024, these transactions resulted in payment terms consistent with those applied to non-agreed suppliers of 120 days. The amounts subject to agreements in 2024 are overall in line with those of the previous year and therefore did not have a significant impact on the company's balance sheet figures.

Tax payables amounted to 136 million euros and related mainly to both tax payables of the Brazil Business Unit (92 million euros) and TIM S.p.A. payables. (34 million euros), mostly related to the amount owed to the tax authorities for withholdings made as withholding agent (28 million euros) in addition to the VAT payable (2 million euros) and the 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 395 million euros.

Other current liabilities amounted to 910 million euros (922 million euros at December 31, 2023). They break down as follows:

- **Liabilities arising from contracts with customers (Contract liabilities)**, amounted to 797 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.

  Specifically:

  - **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 435 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 45 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 311 million euros, essentially comprising the TIM S.p.A. Parent Company's deferred revenue for:
    - rent and maintenance (237 million euros);
    - subscription charges (51 million euros).
- **Other deferred revenue and income** amounted to 113 million euros. They mainly refer to deferred revenues deriving from contracts for the sale of transmission capacity.

NOTE 25

DISPUTES AND PENDING LEGAL ACTIONS, OTHER INFORMATION, COMMITMENTS AND GUARANTEES

A description is provided below of the most significant judicial, arbitration and tax disputes in which TIM Group companies are involved at December 31, 2024, as well as those that came to an end during the period.

The TIM Group has posted liabilities totaling 336 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 this Financial Disclosure 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

International tax and regulatory disputes

At December 31, 2024, companies belonging to the Brazil Business Unit were involved in tax or regulatory disputes, the outcome of which is estimated as a possible loss totaling around 22.3 billion reais (19.2 billion reais at December 31, 2023), corresponding to approximately 3.5 billion euros at December 31, 2024.

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.

Overall, the risk for these cases, considered to be possible, amounts to 5.1 billion reais (3.1 billion reais at December 31, 2023).

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.

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 11.1 billion reais (10.4 billion reais at December 31, 2023).

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 1.7 billion reais at December 31, 2023).

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 4.2 billion reais (4.0 billion reais at December 31, 2023).

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.

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 is set for March 19, 2025. 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.

Antitrust Case A428

At the conclusion of case A428, in May 2013, AGCM (the Italian Competition Authority) imposed two administrative fines of 88,182,000 euros and 15,612,000 euros on TIM for abuse of its dominant position. The Company allegedly (i) hindered or delayed activation of access services requested by OLOs through unjustified and spurious refusals; (ii) offered its access services to final customers at economic and technical conditions that allegedly could not be matched by competitors purchasing wholesale access services from TIM itself, only in those geographic areas of the Country where disaggregated access services to the local network are available, and hence where other operators can compete more effectively with the Company.

TIM appealed against the decision before the Regional Administrative Court (TAR) for Lazio, applying for payment of the fine to be suspended. In particular, it alleged: infringement of its rights to defend itself in the proceedings, the circumstance that the organizational choices challenged by AGCM (the Italian Competition Authority) and allegedly at the base of the abuse of the OLO provisioning processes had been the subject of specific rulings made by the industry regulator (AGCom), the circumstance that the comparative examination of the internal/external provisioning processes had in fact shown better results for the OLOs than for the TIM retail department (hence the lack of any form of inequality of treatment and/or opportunistic behavior by TIM), and (regarding the second abuse) the fact that the conduct was structurally unsuitable to reduce the margins of the OLOs.

In May 2014, the judgment of the Lazio TAR was published, rejecting TIM's appeal and confirming the fines imposed in the original order challenged. In September 2014 the Company appealed against this decision.

In May 2015, with the judgment no. 2497/15, the Council of State found the decision of the court of first instance did not present the deficiencies alleged by TIM and confirmed the AGCM (the Italian Competition Authority) ruling. The company had already proceeded to pay the fines and the accrued interest.

In a decision notified in July 2015, AGCM (the Italian Competition Authority) started proceedings for non-compliance against TIM, to ascertain if the Company had respected the notice to comply requiring it to refrain from undertaking behaviors analogous to those that were the object of the breach ascertained with the concluding decision in case A428 dated May 2013.

On January 13, 2017, TIM was served notice of AGCM's final assessment, which recognized that TIM had complied in full with the A428 decision and, as such, the conditions for the imposition of a fine for non-compliance were not present.

AGCM (the Italian Competition Authority) recognizes, furthermore, that TIM's behavior subsequently to the 2013 proceedings has been directed towards continuous improvement of its performance in the supply of wholesale access services concerning not only the services which were the subject of the investigation, but also the new Ultrabroadband access services. In assessing compliance, AGCM (the Italian Competition Authority) recognized the positive impact of the implementation, albeit not yet completed, of TIM's New Equivalence Model (NME). The AGCM (the Italian Competition Authority) decision orders TIM to: (i) proceed with the implementation of the NME until its completion which is expected to be by April 30, 2017; (ii) to inform the Authority about the performance levels of the systems for providing wholesale access services and about the completion of the corresponding internal reorganization plan by the end of May 2017. The Company quickly complied with both orders, and the Authority communicated its satisfaction on August 9, 2017.

Vodafone lodged an appeal with the Lazio Regional Administrative Court against the final decision in the proceedings for non-compliance taken by AGCM (the Italian Competition Authority). TIM filed an appearance, as in the other lawsuits filed in March 2017 by the operators CloudItalia, KPNQWest Italia and Digitel. With judgments 311 and 312/23 respectively of January 11, 2023, the regional administrative court rejected the appeals lodged by KPNQWest and CloudItalia. On April 11, 2023, KPNQWest (now Comm 3000) filed an appeal the regional administrative court's ruling before the Council of State. The public hearing before the Council of State was held on October 24, 2024. In a ruling dated November 6, 2024, the Council of State rejected COMM3000's appeal on the merits, confirming the legitimacy of the AGCM order that ruled TIM to be compliant with Order A428.

Colt Technology Services - A428

With writ of summons before the Milan Court served in August 2015, the operator Colt Technology Services filed a damages claim based on the A428 decision, requesting compensation for alleged damages suffered from 2009 to 2011 as a result of purportedly inefficient and discriminatory conduct by TIM in the wholesale service supply process. The damage claimed was quantified as 27 million euros in loss of profits for the alleged non-acquisition of new customers, or for the alleged impossibility of supplying new services to the customers it had already acquired; the other party also formulated a request for compensation for the damages to its image and commercial reputation. This case follows the extrajudicial claim for approximately 23 million euros, previously advanced by Colt in June 2015, which the Company rejected in its entirety. TIM filed an appearance, contesting all of the plaintiff's allegations. In a judgment of February 21, 2024, the Court of Milan rejected in its entirety Colt's claim for damages in the amount of 27 million euros.

Colt served a notice of appeal against the judgment. At the hearing in the Milan Court on February 18, 2025, the judge rejected the opposing party's preliminary motions and remanded the case for decision. The hearing for closing arguments was set for March 25, 2026.

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.

Eutelia and Clouditalia Telecomunicazioni (now Irideos) - A428

With a writ of summons dated May 2020, Eutelia in Extraordinary Administration and Clouditalia Telecomunicazioni S.p.A., purchaser of Eutelia's TLC branch, brought an action against TIM before the Court of Rome, making claims for damages, of around 40 million euros, for damages allegedly suffered, in the period 2009-2012, following the technical boycott and margin squeeze conduct, subject of AGCM (the Italian Competition Authority) procedure A428. TIM filed an appearance, contesting the claims made by the opposing party and formulating a counterclaim, subject to quantification of the damages incurred during the proceedings. On April 1, 2022, AGCM (the Italian Competition Authority) deposited the opinion envisaged by Art. 14, third subsection of Italian Legislative Decree 3/2017, whereby it: (i) proposed certain benchmarks for use to define the counterfactual scenario on which basis to quantify the damages allegedly suffered by Eutelia and Clouditalia; (ii) provided some additional indication and criteria to estimate the various damage items demanded by Eutelia and Clouditalia. At the hearing held on June 15, 2022, the Investigating Judge assigned time to the parties until July 8, 2022, by which to deposit written notes on the implications of the opinion of the AGCM (the Italian Competition Authority) and the contents of any queries to be raised with the court appointed expert. On October 24, 2022, the judge lifted the reservation and ordered an expert report on the an of TIM's conduct and the quantum of any damages suffered by Eutelia and Irideos as a result of such. On November 15, 2022, the court-appointed expert witness was sworn in. The hearing to examine the court-appointed expert, originally scheduled for October 18, 2023, has been postponed to February 7, 2024. Following a request from the court-appointed expert to extend the deadline for filing the final report, the Judge once again postponed the hearing to examine the court-appointed expert to May 22, 2024. Ahead of the cross-examination of the court-appointed expert, TIM filed a motion to renew or add to the expert's operations. The motion was not granted by the Judge, who set a hearing for closing arguments on September 17, 2025.

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) pre-emptively 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.

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 Board has not yet issued any ruling in this regard.

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.

Eutelia and Voiceplus

In June 2009, Eutelia and Voiceplus asked that alleged acts of abuse by TIM of its dominant position in the premium services market (based on the public offer of services provided through so-called Non Geographic Numbers) be investigated. The complainants quantified the total damages at approximately 730 million euros.

The case follows a precautionary procedure in which the Milan Appeal Court prohibited certain behaviours of the Company relating to the management of some financial relations with Eutelia and Voiceplus concerning the Non Geographic Numbers, for which TIM managed the payments from the end customers, on behalf of such OLOs and in the light of regulatory requirements. After the ruling of the Milan Court of Appeal accepting TIM's objections, declaring that it was not competent in this matter and referring the case to the Civil Court, Eutelia (in extraordinary administration) and Voiceplus (in liquidation) resubmitted the matter to the Court of Milan. The first hearing took place in March 2014. TIM filed an appearance challenging the claims of the other parties. After the collapse of Voiceplus, the Court of Milan declared the case suspended in an order in September 2015. The case was later resumed by Voiceplus.

In its judgment issued in February 2018, the Court of Milan accepted TIM's defence and rejected the plaintiffs' claim for compensation, ordering them, jointly and severally, to pay the legal costs. In March 2018, Eutelia and Voiceplus lodged an appeal against the judgment in the first instance.

TIM appealed against the claim, requesting confirmation in full of the judgment in the first instance. The appeal of Eutelia and Voiceplus was fully rejected with the judgment of August 5, 2019. In December 2019 Eutelia and Voiceplus appealed to the Court of Cassation against the judgment of the Court of Appeal. TIM notified a counterclaim asking confirmation of the ruling appealed against. The hearing in chambers was scheduled for February 16, 2023. At the hearing on February 16, 2023, at the request of the applicants, it was ordered that the case be heard in open court, with a hearing scheduled for June 12, 2024.

The Court of Cassation, in a ruling published on June 25, 2024, declared inadmissible Eutelia and Voiceplus' appeal against the merit-based judgments which had thrown out the adversary's enormous compensation claim.

The Court found that (i) the question of relevant market was not relevant to the ratio decidendi, and (ii) the plaintiffs' other complaints aimed to call substantive deliberations into question.

The Court also ordered the counterparties to pay costs amounting to approximately 100,000.00 euros plus accessories and the lump-sum reimbursement of general expenses in the maximum percentage allowed by law.

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.

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's (the Italian Competition Authority) measure in Case I820 and referring to the Authority to redetermine the fine 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. 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 anticompetitive 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 cause the interest in the appeal of first instance to be extinguished.

On December 17, 2024, AGCM – accepting the claims of TIM and FiberCop – ruled 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.

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 defense 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 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.

The proceedings must be completed by June 30, 2025.

Wind Tre S.p.A. – I857

By writ of summons brought before the Court of Milan and served in January 2024, operator Wind Tre S.p.A. requested that TIM S.p.A. and DAZN limited be ordered to compensate, jointly and severally, Wind Tre S.p.A. for the damage allegedly suffered by it as a result of the defendants' alleged violation of art. 102 of the TFEU (abuse of a dominant position) due to having signed a mutual agreement in January 2021 (the "Deal Memo") which – in the claimant's opinion – would result in damage quantifiable in 69,803,012.00 euros.

In addition, Wind Tre S.p.A. is requesting that TIM S.p.A. be ordered to pay 10,266,377.00 euros in compensation for the damage allegedly resulting from advertising campaigns which were intended, according to the claimant, to suggest to customers that subscribing to TIM's FTTH service, or subscribing to TIMVISION's offer, was the only way to access DAZN service content.

On April 29, 2024, TIM entered an appearance and counterclaim in which it called for Wind's claims to be thrown out and for the proceedings to be suspended pending the Lazio Regional Administrative Court's ruling on TIM and DAZN's application to annul the measure adopted by AGCM (the Italian Antitrust Authority) on June 28, 2023 (in which AGCM resolved that the conduct of TIM and DAZN in signing the Deal Memo constituted an agreement restricting competition). The preliminary hearing was initially scheduled for July 8, 2024, but has since been moved to March 11, 2025. In an Order dated February 28, 2025, the Court of Milan ex officio ordered that the first hearing be further moved to September 10, 2025.

Antitrust case I874

On December 17, 2024 AGCM ruled to initiate a preliminary investigation proceeding to assess the possible anti-competitiveness of certain clauses contained in the current Master Service Agreement between TIM and FiberCop regulating the relations between those entities following the transfer of fixed network activities from TIM to FiberCop.

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.

Dispute relating to “Adjustments on license fees” for the years 1994-1998

With regard to the judgments sought in previous years concerning the Ministry of Communications' request for payment of the balance of the amounts paid in concession charges for the years 1994-1998 (for a total of 113 million euros), the Lazio Regional Administrative Court (TAR) rejected the Company’s appeal against the request for adjustment of the license fee for 1994 in the amount of approximately 11 million euros, 9 million euros of which against turnover not received due to bad debts. TIM lodged an appeal. On the outcome of proceedings, with the ruling of December 2019, the Council of State partially accepted TIM's position, establishing the principle, according to which, the receivables referring to 1994 not collected for reasons not attributable to the operator, could have been deducted from the tax base for calculating the concession fee. As the Ministry of Economic Development has not followed up on TIM’s requests aimed at obtaining fulfillment of the judgment, TIM has submitted a further petition to the Council of State for failure to execute the judgment, but with judgment given in April 2022, the request for compliance brought by TIM was rejected. TIM appealed for revocation of this judgment to the Council of State. This appeal was declared inadmissible in judgment 3318/2023.

With two further judgments the Lazio Regional Administrative Court (TAR), reiterating the reasons expressed previously, also rejected the appeals in which the Company challenged the requests for payment of outstanding balances of license fees for the years 1995 and 1996-1997-1998, in the amount of approximately 46 million euros. TIM has appealed before the Council of State also against these judgments. By judgment published in April 2022, the Council of State stressed the principles already set for 1994, namely that receivables that have become uncollectable for reasons not the fault of the operator, correctly handled in the accounts, on the financial statements and in terms of tax, can be deducted from the tax base for calculating the concession fee.

With reference to the 1998 fee adjustment (equal to about 41 million euros), the Lazio TAR, by TAR order of December 2018, suspended the judgment, raising preliminary questions with the EU Court of Justice on the correct scope of EC Directive no. 97/13 (in the matter of general authorizations and individual licenses in the field of telecommunications services on the basis of the currently pending litigation on the 1998 license fee, currently pending before the Rome Court of Appeal and illustrated in a subsequent paragraph).

The referred questions were based, inter alia, on the question posed to the Court of Justice on the possible conflict between the aforementioned EC Directive 97/13 and national law, which extended the obligation for telecommunications license-holders to pay the license fee for 1998 (commensurate with a portion of turnover), despite the liberalization process underway. In its judgment of March 2020, the EU Court of Justice held that the EU regulatory system must be interpreted as not allowing national legislation to extend to 1998 the obligation imposed on a telecommunications undertaking that was previously the concession holder (such as TIM) to pay a fee calculated on the basis of turnover and not only the administrative costs connected with the granting, management, control and implementation of the general authorizations and individual licenses scheme. The Court held, inter alia, that the Council of State – having held in its judgment 7506/2009 that the fee imposed for 1998 on TIM, the holder of an authorization existing on the date of entry into force of Directive 97/13, was due – interpreted national law in a way that was incompatible with EU law, as interpreted by the Court in its judgment of February 21, 2008. Following the judgment of the EU Court of Justice, the opinion on the final calculation of the 1998 charges was summarized before the Lazio Regional Administrative Court, which, in a judgment given last February, declared TIM's appeal as unacceptable for procedural reasons, namely due to the prevalence of the formal ruling consisting of judgment no. 7506/09; in substantive terms, on the other hand, the judgment of the EU Court of Justice once again ascertained the European Community unlawful nature of the credit claim by the Public Administration to obtain payment of the 1998 charges and, consequently, the final balance. The company has challenged the judgment of the Lazio Regional Administrative Court to the Council of State.

The Council of State, following the public hearing of December 4, 2024, reserved judgment until after the ruling on the application brought in the Court of Cassation by the Presidency of the Council of Ministers to annul the ruling of the Rome Court of Appeals upholding TIM's claim (in relation to the 1998 concession fee).

Brazil - Opportunity arbitration

In May 2012, TIM and Telecom Italia International N.V. (now merged in Telecom Italia Finance) were served with a notice of arbitration proceedings brought by the Opportunity group, claiming compensation for damages allegedly suffered for presumed breach of a settlement agreement signed in 2005. Based on the claimant's allegations, the damages relate to circumstances that emerged in the criminal proceedings pending before the Milan Court regarding, inter alia, unlawful activities engaged in by former employees of TIM.

The investigatory phase having been completed, the hearing for oral discussion took place in November 2014, after which the parties filed their concluding arguments in preparation for the decision on the case.

In September 2015, the Board of Arbitration declared the proceedings closed, as the award was going to be filed.

In September 2016 the ICC Court notified the parties of its judgment, based on which the Court of Arbitration rejected all the claims made by the Opportunity group and decided that the legal costs, administrative costs and costs for expert witnesses should be split between the parties (the "2016 Arbitration Award").

In April 2017 the Opportunity group filed an appeal against the 2016 Arbitration Award before the Paris Court of Appeal.

In November 2017, TIM and Telecom Italia Finance received from the Secretariat of the ICC's International Court of Arbitration notice of a Request for Revision of the 2016 Arbitration Award, filed by the Opportunity group, asking for a new award. A Board of Arbitration was subsequently established.

In October 2018, TIM and Telecom Italia Finance requested proceedings with the Paris Court of Appeal to be suspended, in the light of proceedings pending with the Court of Arbitration of the International Chamber of Commerce to review the same 2016 Arbitration Award. In November 2018, the Paris Court of Appeal suspended the proceedings until the decision is taken by the Court of Arbitration in the review proceedings.

As regards the proceedings to review the 2016 Arbitration Award, in October 2019 the ICC held the discussion hearing in Paris. In August 2020, the Arbitration Court issued the award rejecting the Request for Revision presented by the Opportunity Group (the "2020 Arbitration Award"). In December 2020, the Opportunity group filed an appeal against the 2020 Arbitration Award before the Paris Court of Appeal. In May 2021 the Opportunity group asked the Paris Court of Appeal to summarize the proceedings brought against the 2016 Arbitration Award. Thereafter, the Opportunity Group, TIM and Telecom Italia Finance filed their briefs in the two proceedings pending before the Paris Court of Appeal, respectively against the 2016 Award and the 2020 Award. On January 8, 2024, both appeal proceedings were heard before the Paris Court of Appeal.

In its decision of May 2, 2024, the Paris Court of Appeal quashed the 2016 Arbitration Award on the grounds that the Court considered one of the members sitting on the arbitration panel to be affected by a conflict of interest. In a separate decision issued on the same date, the Court ordered the reopening of the proceedings on the 2020 Arbitration Award.

On June 20, 2024, TIM and Telecom Italia Finance lodged an appealed with the Court of Cassation against the judgment quashing the 2016 Arbitration Award.

On June 24, 2024, observations were submitted on the consequences that the quashing of the 2016 Arbitration Award may have in relation to the appeal against the 2020 Arbitration Award. Proceedings are still pending.

On September 3, 2024, the Paris Court of Appeal rejected Opportunity's petition to set aside the 2020 Award following the annulment of the 2016 Award. The proceedings have therefore been stayed until the outcome of the case initiated in the Court of Cassation, with the 2020 Award remaining in effect.

On December 19, 2024, TIM and Telecom Italia Finance filed a statement of defense in the proceedings before the Supreme Court, aimed at overturning the decision of the Paris Court of Appeals to quash the 2016 Arbitration Award.

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 preliminary brief, Iliad updated its claim for damages, taking it to 242.8 million euros, and later to 292.8 million euros.

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.

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 to June 10, 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.

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.

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.

(b) Other information

TIM S.A. - Arbitration proceedings no. 28/2021/SEC8

In March 2020, TIM S.A.'s Brazilian subsidiary TIM S.A. signed a partnership with Banco C6 S.A. and, in April 2020, launched exclusive offers for TIM S.A. customers opening C6 bank accounts. As compensation, TIM S.A. receives commission for each account activated, as well as the option to obtain an equity stake in Banco C6 upon achieving certain targets connected to the number of active accounts. The number of shares received for each target achieved was variable over the contract term, with the initial percentages being more advantageous for TIM S.A. due to the greater effort required for a new digital company to take off.

Despite the project's success, some differences between the partners resulted in arbitration proceedings no. 28/2021/SEC8 being filed with the Arbitration and Mediation Center of the Brazil-Canada Chamber of Commerce in 2021.

On February 11, 2025, TIM S.A. and Banco C6 S.A. entered into an agreement to end all disputes related to the partnership between the two Companies and, as a result, to resolve the four arbitration proceedings currently pending.

During the lifetime of the partnership, TIM S.A. had acquired a minority interest in the bank (equal to 6.06%, of which 4.62%held in the form of underwriting options (derivatives) and 1.44% as an equity stake in Banco C6 S.A.

The agreement signed provides for the termination of the partnership, as well as the transfer of all shares held by TIM S.A. in Banco C6 S.A., as well as all outstanding subscription options, for an amount of 520 million Brazilian reais (before taxes). The transfer of shares and options is subject to the approval of the Cayman Islands Monetary Authority (CIMA). Once this approval is obtained, the agreement will be concluded and the partnership will end.

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.

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 (totaling 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 favorable 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 matter of the right to repeat the charges paid for 1998 - the Court of Cassation ruled in its judgment no. 18603 given on September 7, 2020, rejecting the appeal brought by the Presidency of the Council against the judgment whereby the Court of Appeal of Rome had upheld the claim for compensation made by Vodafone (payment of charges for 1998) for the same title in separate proceedings.

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.

Other assets/liabilities related to the sale of assets and shareholdings

As part of agreements for the sale of assets and companies, the TIM Group has undertaken guarantees to indemnify the buyers for liabilities mainly connected with legal, tax, social security, and labor law issues, for an amount normally set as a percentage of the purchase price.

Against the aforementioned contingent liabilities, for only those cases in which an outlay of resources was deemed probable, a corresponding provision was made for risks.

It should also be noted that under some asset and/or equity sale contracts signed by the TIM Group, there are usual post-closing price adjustment mechanisms as well as earn-out mechanisms in favor of TIM.

(c) Commitments and guarantees

Guarantees, net of back-to-back guarantees received, amounted to 559 million euros.

The guarantees provided by third parties to Group companies, amounting to 6,788 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 1,513 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 2,998 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 1,119 million euros, including 1,053 million euros for TIM S.p.A. and 65 million euros for Group companies; with reference to the bank guarantees issued in favor of INPS for which financial assets have been pledged, reference should be made to Note 9 "Non-current and current financial assets".

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).

The loan guarantees are described in the Note 16 "Non-current and current financial liabilities".

NOTE 26
REVENUES

This item rose by 131 million euros compared to 2023. The figure breaks down as follows:

(million euros)	2024	2023
Equipment sales	997	1,030
Services	13,445	13,281
Total	**14,442**	**14,311**

Revenues from telecommunications services are presented gross of amounts due to other TLC operators, equal to 1,109 million euros (1,173 million euros in 2023), included in Costs of services.

Revenues from services in 2024 include revenues for voice and data services on fixed and mobile networks for Retail customers for 8,228 million euros and for other Wholesale operators for 1,117 million euros.

For a breakdown of revenues by operating segment/geographical area, reference should be made to the Note 39“Segment Reporting”.

NOTE 27
OTHER INCOME

This item rose by 92 million euros compared to 2023. The figure breaks down as follows:

(million euros)	2024	2023
Late payment fees charged for telephone services	37	37
Recovery of employee benefit expenses, purchases and services rendered	17	11
Capital and operating grants	16	17
Damages, penalties and recoveries connected with litigation	7	24
Estimate revisions and other adjustments	96	40
Income for special training activities	1	2
Services related to the MSA in place with FiberCop S.p.A.	42	—
Other	17	10
Total	**233**	**141**

The increase from 2023 is mainly related to:

- income from the Master Service Agreement signed by the Parent Company TIM S.p.A. with FiberCop S.p.A. as of July 1, 2024 (42 million euros);
- the increase of 56 million euros in estimate revisions and other adjustments of the Parent Company, mainly related to the repayment of part of the penalty pertaining to the A514 proceeding, as per the November 13, 2024 Council of State ruling.

NOTE 28
ACQUISITION OF GOODS AND SERVICES

This item rose by 572 million euros compared to 2023. The figure breaks down as follows:

(million euros)		2024	2023
Purchase of raw materials and goods	**(a)**	**974**	**1,046**
Costs of services:			
Revenues due to other TLC operators		1,109	1,173
Costs for telecommunications network access services		151	121
Commissions, sales commissions and other selling expenses		1,481	1,450
Advertising and promotion expenses		234	233
Professional and consulting services		214	253
Utilities		337	234
Maintenance costs		310	217
Outsourcing costs for other services		376	385
Mailing and delivery expenses for telephone bills, directories and other materials to customers		30	32
Other service expenses		1,734	1,371
	(b)	**5,976**	**5,469**
Lease and rental costs:			
Rent and leases		91	84
TLC circuit subscription charges		186	187
Other lease and rental costs		790	659
	(c)	**1,067**	**930**
Total	**(a+b+c)**	**8,017**	**7,445**

Lease and rental costs include lease payments related to short-term or modest-value contracts of about 11 million euros in 2024 (about 9 million euros in 2023).

The item Other service expenses basically refers to the Parent Company TIM S.p.A and mainly includes network access charges and hosting fees related to radio base stations.

NOTE 29
EMPLOYEE BENEFITS EXPENSES

This item decreased by 472 million euros compared to 2023. The breakdown is as follows:

(million euros)		2024	2023
Ordinary employee expenses			
Wages and salaries		931	1,011
Social security expenses		332	357
Other employee benefits		140	118
	(a)	**1,403**	**1,486**
Costs and provisions for agency contract work	**(b)**	**1**	**1**
Miscellaneous expenses for employees and other labor-related services rendered			
Expenses for corporate restructuring and termination benefit incentives		72	462
Other		2	1
	(c)	**74**	**463**
Total	**(a+b+c)**	**1,478**	**1,950**

Employee benefits expenses mainly related to the Domestic Business Unit for 1,145 million euros (1,612 million euros in 2023) and to the Brazil Business Unit for 331 million euros (338 million euros in 2023).

"Expenses for corporate restructuring and termination benefit incentives" totaled 72 million euros (462 million euros in 2023) and are mainly related to wage supplementation related to Solidarity Agreements and individual redundancy plans, as stipulated in the labor union agreement signed by the Parent Company with the trade unions on April 12, 2024.

The average salaried workforce, including agency contract workers, stood at 23,752 employees in 2024 (25,098 in 2023). A breakdown by category is as follows:

(number of units)	2024	2023
Executives	374	418
Middle Managers	3,049	2,895
White collars	20,311	21,667
Blue collars	—	87
Employees on payroll	**23,734**	**25,067**
Agency contract workers	18	31
Total average salaried workforce	**23,752**	**25,098**

The headcount at December 31, 2024, including agency contract workers, stood at 26,887 employees (47,180 at December 31, 2023), showing a decrease of 20,293 employees related mainly to the NetCo transaction.

NOTE 30
OTHER OPERATING EXPENSES

This item decreased by 110 million euros compared to 2023. The figure breaks down as follows:

(million euros)	2024	2023
Write-downs and expenses in connection with credit management	232	226
Provision charges	56	86
TLC operating fees and charges	213	218
Indirect duties and taxes	78	60
Penalties, settlement compensation and administrative fines	9	24
Subscription dues and fees, donations, scholarships and traineeships	9	9
Sundry expenses	65	149
Total	**662**	**772**
of which, included in the supplementary disclosure on financial instruments	*232*	*226*

NOTE 31
INTERNALLY GENERATED ASSETS

This item decreased by 37 million euros compared to 2023. The figure breaks down as follows:

(million euros)	2024	2023
Intangible assets with a finite useful life	174	205
Tangible assets	123	129
Total	**297**	**334**

They mainly refer to capitalization of labor costs regarding software development activities and development of network solutions, applications and innovative services as well as design, implementation and testing of mobile network infrastructure and facilities.

NOTE 32
DEPRECIATION AND AMORTIZATION

This item decreased by 103 million euros compared to 2023. The breakdown is as follows:

(million euros)		2024	2023
Amortization of intangible assets with a finite useful life			
Industrial patents and intellectual property rights		933	968
Concessions, licenses, trademarks and similar rights		477	484
Other intangible assets		9	10
	(a)	**1,419**	**1,462**
Depreciation of tangible assets owned			
Buildings (civil and industrial)		11	11
Plant and equipment		1,042	1,036
Manufacturing and distribution equipment		1	1
Other		140	143
	(b)	**1,194**	**1,191**
Amortization of rights of use assets			
Property		142	165
Plant and equipment		415	456
Other tangible assets		14	16
Intangible assets		5	2
	(c)	**576**	**639**
Total	**(a+b+c)**	**3,189**	**3,292**

For further details refer to the Notes "Intangible assets with a finite useful life", "Tangible assets" and "Rights of use assets".

For a breakdown of depreciation and amortization by operating segment/geographical area, reference should be made to Note 39 "Segment Reporting".

NOTE 33
GAINS/(LOSSES) ON DISPOSALS OF NON-CURRENT ASSETS

This item was broken down as follows:

(million euros)		2024	2023
Gains on disposals of non-current assets:			
Gains on the retirement/disposal of intangible, tangible and user rights on rental		15	15
	(a)	**15**	**15**
Losses on disposals of non-current assets:			
Losses on the retirement/disposal of intangible, tangible and user rights on rental		12	26
	(b)	**12**	**26**
Total	**(a-b)**	**3**	**(11)**

NOTE 34

IMPAIRMENT REVERSALS (LOSSES) ON NON-CURRENT ASSETS

This item consisted of:

(million euros)		2024	2023
Impairment reversals on non-current assets:			
on intangible assets		—	—
on tangible assets		—	—
	(a)	**—**	**—**
Impairment losses on non-current assets:			
on intangible assets		—	—
on tangible assets		14	—
related to the sale of the Telecom Italia Sparkle Group		80	—
	(b)	**94**	**—**
Total	**(a-b)**	**(94)**	**—**

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.

In preparing the Annual Report for 2024, the TIM Group carried out an impairment test on goodwill. The results of that testing, carried out in accordance with the specific procedure adopted by the Group, confirmed the amounts of Goodwill allocated to the Group's individual Cash Generating Units.

On February 12, 2025, the Directors of TIM S.p.A. accepted the binding offer for the sale of the entire stake (100%) held in Telecom Italia Sparkle, and the recoverability of the related net assets was verified after allocating the portion of Domestic goodwill allocable to the Sparkle group, estimated at 52 million euros. As a result of this assessment, it emerged that it was necessary to make an impairment charge that resulted in a total impact on the income statement of 80 million euros, 52 million euros of which related to the allocated goodwill.

NOTE 35

OTHER INCOME (EXPENSES) FROM INVESTMENTS

This item consisted of:

(million euros)	2024	2023
Dividends from Other investments	2	2
Net gains on the sale of investments in associates and joint ventures accounted for using the equity method	70	45
Sundry income (expense)	3	6
Total	**75**	**53**
of which, included in the supplementary disclosure on financial instruments	*2*	*2*

The item was positive for 75 million euros in 2024 (positive for 53 million euros in 2023) and mainly refers to:

- the net gain (62 million euros) related to the sale of TIM's remaining 10% stake in the share capital of the holding company Daphne 3 S.p.A., which holds 30.8% of the share capital of Infrastrutture Wireless Italiane ("INWIT");
- to net capital gains related to the sale of investments in Italtel S.p.A., NordCom S.p.A. and Swascan S.r.l. totaling approximately 8 million euros.

The balance for the 2023 financial year mainly includes the income connected to the definition of the Adjusted Closing Price relating to the acquisition by the Brazilian subsidiary TIM SA of part of the Oi group's mobile telephony assets (56 million euros).

NOTE 36
FINANCE INCOME AND EXPENSES

Finance income (expenses) showed a net expense of 1,343 million euros (expense of 1,404 million euros in 2023) and comprises:

(million euros)	2024	2023
Finance income	1,044	1,235
Finance expenses	(2,387)	(2,639)
Net finance income (expenses)	**(1,343)**	**(1,404)**

The items break down as follows:

(million euros)		2024	2023
Interest expenses and other finance expenses:			
Interest expenses and other costs relating to bonds		(739)	(855)
Interest expenses to banks		(236)	(314)
Interest expenses to others		(81)	(70)
Finance expenses on lease liabilities		(297)	(319)
		(1,353)	**(1,558)**
Commissions		(72)	(58)
Other finance expenses (*)		(263)	(179)
		(335)	**(237)**
Interest income and other finance income:			
Interest income		127	136
Income from financial receivables, recorded in Non-current assets		79	123
assets		—	—
Income from securities other than investments, recorded in Current assets		24	25
Miscellaneous finance income (*)		54	70
		284	**354**
Total net finance interest/(expenses)	**(a)**	**(1,404)**	**(1,441)**
Other components of finance income and expenses:			
Net exchange gains and losses		22	(3)
Net result from derivatives		50	(2)
Net fair value adjustments to fair value hedge derivatives and underlying instruments		—	—
Net fair value adjustments to non-hedging derivatives		(11)	42
Total other components of finance income and expenses	**(b)**	**61**	**37**
Total net finance income (expenses)	**(a+b)**	**(1,343)**	**(1,404)**
of which, included in the supplementary disclosure on net financial instruments		*(974)*	*(1,170)*

(*) of which IFRS 9 impact:

(million euros)	2024	2023
Income from negative adjustment of IFRS 9 impairment reserve on financial assets measured at FVTOCI	—	*1*
Expenses from positive adjustment of IFRS 9 impairment reserve on financial assets measured at FVTOCI	*(1)*	*(1)*
Income/Expenses from IFRS 9 reserve impairment on financial assets measured at FVTOCI	***(1)***	**—**
Reversal of IFRS 9 impairment reserve on financial assets measured at FVTOCI	*1*	*6*
Impairment losses on financial assets other than investments	—	—

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

For greater clarity of presentation, the net effects relating to derivative financial instruments are summarized in the following table:

(million euros)		2024	2023
Foreign currency conversion gains		315	271
Exchange losses		(293)	(274)
Net exchange gains and losses		**22**	**(3)**
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)		332	461
Negative effect of the reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)		(273)	(370)
Net effect of the Reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)	**(b)**	**59**	**91**
Income from non-hedging derivatives		50	62
Charges from non-hedging derivatives		(59)	(155)
Net result from non-hedging derivatives	**(c)**	**(9)**	**(93)**
Net result from derivatives	**(a+b+c)**	**50**	**(2)**
Positive fair value adjustments to fair value hedge derivatives		—	—
Negative fair value adjustments relating to financial assets and liabilities underlying fair value hedge derivatives		(8)	—
Net fair value adjustments	**(d)**	**(8)**	**—**
Positive fair value adjustments to Underlying financial assets and liabilities of fair value hedge derivatives		8	—
Negative fair value adjustments relating to fair value hedge derivatives		—	—
Net fair value adjustments	**(e)**	**8**	**—**
Net fair value adjustments to fair value hedge derivatives and underlying instruments	**(d+e)**	**—**	**—**
Positive fair value adjustments to non-hedging derivatives	(f)	55	87
Negative fair value adjustments to non-hedging derivatives	(g)	(66)	(45)
Net fair value adjustments to non-hedging derivatives	**(f+g)**	**(11)**	**42**

NOTE 37
PROFIT (LOSS) FOR THE YEAR

The profit (loss) for the year can be analyzed as follows:

(million euros)	2024	2023
Profit (loss) for the year	**(364)**	**(1,107)**
Attributable to:		
Owners of the Parent:		
Profit (loss) from continuing operations	(99)	(270)
Profit (loss) from Discontinued operations / Non current assets held for sale	(511)	(1,171)
Profit (loss) for the year attributable to owners of the Parent	**(610)**	**(1,441)**
Non-controlling interests:		
Profit (loss) from continuing operations	182	176
Profit (loss) from Discontinued operations / Non current assets held for sale	64	158
Profit (loss) for the year attributable to Non-controlling interests	**246**	**334**

The **result related to "Discontinued operations/Non-current assets held for sale"** was negative 447 million euros; specifically, it includes a gain of 183 million euros, which is net of incidental costs, recognized in the second half of 2024 following the completion of the NetCo sale.

The **Net loss for 2024** was 364 million euros (loss of 610 million euros **attributable to owners of the Parent**). Specifically:

- the second half of 2024 saw a profit of 139 million euros (profit of 36 million euros attributable to owners of the Parent);
- the first half of 2024 resulted in a loss of 503 million euros (loss of 646 million euros attributable to the owners of the Parent), also related to the assets included in Discontinued Operations, which were sold on July 1, 2024.

Also, please note that the *Master Services Agreement* governing the relationship between TIM S.p.A. and NetCo became effective as of July 1, 2024.

NOTE 38
EARNINGS PER SHARE

		2024	2023
Basic earnings per share			
Profit (loss) for the year attributable to owners of the Parent		(610)	(1,441)
Less: additional dividends for the savings shares (0.011 euros per share and up to capacity)		—	—
	(million euros)	(610)	(1,441)
Average number of ordinary and savings shares	(millions)	21,259	21,250
Basic earnings per share – Ordinary shares	(euros)	(0.03)	(0.07)
Plus: additional dividends per savings share		—	—
Basic earnings per share – Savings shares	(euros)	(0.03)	(0.07)
Basic earnings per share from continuing operations			
Profit (loss) from continuing operations attributable to Owners of the Parent		(99)	(270)
Less: additional dividends for the savings shares		—	—
	(million euros)	(99)	(270)
Average number of ordinary and savings shares	(millions)	21,259	21,250
Basic earnings per share from continuing operations – Ordinary shares	(euros)	—	(0.01)
Plus: additional dividends per savings share		—	—
Basic earnings per share from continuing operations – Savings shares	(euros)	—	(0.01)
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)	(511)	(1,171)
Average number of ordinary and savings shares	(millions)	21,259	21,250
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Ordinary Share	(euros)	(0.03)	(0.06)
Basic earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Savings Share	(euros)	(0.03)	(0.06)

	2024	2023
Average number of ordinary shares	15,231,587,091	15,222,590,778
Average number of savings shares	6,027,791,699	6,027,791,699
Total	**21,259,378,790**	**21,250,382,477**

		2024	2023
Diluted earnings per share			
Profit (loss) for the year attributable to owners of the Parent		(610)	(1,441)
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)	(610)	(1,441)
Average number of ordinary and savings shares	(millions)	21,261	21,259
Diluted earnings per share – Ordinary shares	(euros)	(0.03)	(0.07)
Plus: additional dividends per savings share		—	—
Diluted earnings per share – Savings shares	(euros)	(0.03)	(0.07)
Diluted earnings per share from continuing operations			
Profit (loss) from continuing operations attributable to Owners of the Parent		(99)	(270)
Dilution effect of stock option plans and convertible bonds (*)		—	—
Less: additional dividends for the savings shares		—	—
	(million euros)	(99)	(270)
Average number of ordinary and savings shares	(millions)	21,261	21,259
Diluted earnings per share from continuing operations – Ordinary shares	(euros)	—	(0.01)
Plus: additional dividends per savings share		—	—
Diluted earnings per share from continuing operations – Savings shares	(euros)	—	(0.01)
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)	(511)	(1,171)
Dilution effect of stock option plans and convertible bonds		—	—
Average number of ordinary and savings shares	(millions)	21,261	21,259
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Ordinary Share	(euros)	(0.03)	(0.06)
Diluted earnings per share from Discontinued operations/Non-current assets held for sale attributable to owners of the Parent - Savings Share	(euros)	(0.03)	(0.06)

	2024	2023
Average number of ordinary shares (*)	15,233,023,694	15,231,210,398
Average number of savings shares	6,027,791,699	6,027,791,699
Total	**21,260,815,393**	**21,259,002,097**

(*) 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 year 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 2024 and 2023, 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 December 31, 2024:

	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	257,763,000	109,292		0.424
Total	**257,763,000**	**109,292**		

Further information is provided in Note 16 "Non-current and current financial liabilities" and Note 41 "Equity compensation plans".

NOTE 39
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 activities of the Telecom Italia Sparkle Group which, at international level (in Europe, the Mediterranean and South America), develops fiber optic networks for wholesale customers, 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 the process described above has been completed, and also taking into account the sale of NetCo on July 1, 2024, an assessment will be carried out 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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Third-party revenues	10,079	9,901	4,363	4,411	—	—	—	(1)	14,442	14,311
Intragroup revenues	32	36	3	1	—	—	(35)	(37)	—	—
Revenues by operating segment	**10,111**	**9,937**	**4,366**	**4,412**	**—**	**—**	**(35)**	**(38)**	**14,442**	**14,311**
Other income	208	125	24	17	2	—	(1)	(1)	233	141
Total operating revenues and other income	**10,319**	**10,062**	**4,390**	**4,429**	**2**	**—**	**(36)**	**(39)**	**14,675**	**14,452**
Acquisition of goods and services	(6,447)	(5,789)	(1,601)	(1,687)	(2)	(3)	33	34	(8,017)	(7,445)
Employee benefits expenses	(1,145)	(1,612)	(331)	(338)	(1)	(1)	(1)	1	(1,478)	(1,950)
indemnities	—	—	—	—	—	—	—	—	—	—
Other operating expenses	(265)	(383)	(393)	(383)	(5)	(4)	1	(2)	(662)	(772)
of which: write-downs and expenses in connection with credit management and provision charges	(150)	(165)	(138)	(147)	—	—	—	—	(288)	(312)
Change in inventories	17	9	(7)	18	—	—	—	(1)	10	26
Internally generated assets	195	225	97	102	—	—	5	7	297	334
EBITDA	**2,674**	**2,512**	**2,155**	**2,141**	**(6)**	**(8)**	**2**	**—**	**4,825**	**4,645**
Depreciation and amortization	(1,984)	(1,974)	(1,205)	(1,318)		—	—	—	(3,189)	(3,292)
Gains (losses) on disposals of non-current assets	(7)	(22)	10	10	—	—	—	1	3	(11)
Impairment reversals (losses) on non-current assets	(94)		—	—	—	—	—	—	(94)	—
EBIT	**589**	**516**	**960**	**833**	**(6)**	**(8)**	**2**	**1**	**1,545**	**1,342**
Share of losses (profits) of associates and joint ventures accounted for using the equity method	(6)	(12)	(14)	(17)	—	—	—	—	(20)	(29)
Other income (expenses) from investments									75	53
Finance income									1,044	1,235
Finance expenses									(2,387)	(2,639)
Profit (loss) before tax from continuing operations									**257**	**(38)**
Income tax expense									(174)	(56)
Profit (loss) from continuing operations									**83**	**(94)**
Profit (loss) from Discontinued operations / Non current assets held for sale									(447)	(1,013)
Profit (loss) for the year									**(364)**	**(1,107)**
Attributable to:										
Owners of the Parent									**(610)**	**(1,441)**
Non-controlling interests									246	334

Revenues by operating segment

(million euros)	Domestic		Brazil		Other Operations		Adjustments and eliminations		Consolidated Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues from equipment sales - third party	849	889	148	142	—	—	—	(1)	997	1,030
Revenues from equipment sales - intragroup	—	—	—	(1)	—	—	—	1	—	—
Total revenues from equipment sales	**849**	**889**	**148**	**141**	—	**—**	**—**	**—**	**997**	**1,030**
Revenues from services - third party	9,230	9,012	4,215	4,269	—	—	—	—	13,445	13,281
Revenues from services - intragroup	32	36	3	2	—	—	(35)	(38)	—	—
Total revenues from services	**9,262**	**9,048**	**4,218**	**4,271**	—	**—**	**(35)**	**(38)**	**13,445**	**13,281**
Total third-party revenues	10,079	9,901	4,363	4,411	—	—	—	(1)	14,442	14,311
Total intragroup revenues	32	36	3	1	—	—	(35)	(37)	—	—
Total revenues by operating segment	**10,111**	**9,937**	**4,366**	**4,412**	**—**	**—**	**(35)**	**(38)**	**14,442**	**14,311**

Purchase of intangible, tangible and right of use assets by operating segment

(million euros)	Domestic		Brazil		Other Operations		Adjustments and eliminations		Consolidated Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Purchase of intangible assets	667	655	188	183	—	—	—	—	855	838
Purchase of tangible assets	609	635	585	643	—	—	—	—	1,194	1,278
Purchase of right of use assets	286	174	514	542	—	—	—	—	800	716
Total purchases of intangible assets, tangible assets and right of use assets	**1,562**	**1,464**	**1,287**	**1,368**	**—**	**—**	**—**	**—**	**2,849**	**2,832**
of which: capital expenditures	*1,349*	*1,334*	*780*	*834*	*—*	*—*	*—*	*—*	*2,129*	*2,168*
of which: increases in lease/leasing contracts for right of use assets	*213*	*130*	*507*	*534*	*—*	*—*	*—*	*—*	*720*	*664*

Headcount by Operating Segment

(number of units)	Domestic		Brazil		Other Operations		Consolidated Total	
	12/31/202	12/31/2023	12/31/202	12/31/2023	12/31/202	12/31/2023	12/31/202	12/31/2023
Headcount	**17,751**	**37,901**	**9,123**	**9,267**	**13**	**12**	**26,887**	**47,180**

Assets and liabilities by Operating Segment

(million euros)	Domestic		Brazil		Other Operations		Adjustments and eliminations		Consolidated Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/202	12/31/2024	12/31/2023
Non-current operating assets	20,304	40,769	6,558	7,916	1	1	—	—	26,863	48,686
Current operating assets	3,322	4,027	1,017	1,046	16	19	(48)	(48)	4,307	5,044
Total operating assets	23,626	44,796	7,575	8,962	17	20	(48)	(48)	31,170	53,730
Investments accounted for using the equity method	52	266	213	271	—	—	—	—	265	537
Discontinued operations /Non-current assets held for sale										—
Unallocated assets									6,228	7,892
Total Assets									**37,663**	**62,159**
Total operating liabilities	6,708	9,746	1,978	2,214	19	22	(52)	(85)	8,653	11,897
Liabilities directly associated with Discontinued operations/Non-current assets held for sale										—
Unallocated liabilities									15,649	32,749
Equity									13,361	16,999
Total Equity and Liabilities									**37,663**	**62,159**

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	
		2024	2023	2024	2023	12/31/2024	12/31/2023
Italy	(a)	9,823	9,606	9,219	9,002	20,093	40,549
Outside Italy	(b)	4,619	4,705	5,223	5,309	6,770	8,137
Total	**(a+b)**	**14,442**	**14,311**	**14,442**	**14,311**	**26,863**	**48,686**

c) Information about major customers

None of the TIM Group's customers make up for more than 10% of consolidated revenues.

NOTE 40
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 2024 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 2023 Report on Operations which had a significant effect on the financial position or on the performance of the TIM Group in 2024.

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 purpose of the 2024 financial statements, 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.

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 2024 and 2023 are as follows:

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS 2024

(million euros)	**Total** (a)	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.** (b)	% of financial statement item (b/a)
Revenues	**14,442**	157	71			**228**	(9)	**237**	1.6
Other income	**233**	1	—			**1**	—	**1**	0.4
Acquisition of goods and services	**8,017**	86	166			**252**	(1)	**251**	3.1
Employee benefits expenses	**1,478**			56	16	**72**	(18)	**54**	3.7
Depreciation and amortization	**3,189**		3			**3**	(3)	**—**	—
Finance income	**1,044**	—	3	—		**3**	—	**3**	0.3
Finance expenses	**2,387**	4				**4**	—	**4**	0.2
Profit (loss) from Discontinued operations / Non current assets held for sale	**(447)**	—	(13)	(17)	(1)	**(31)**			

(*) Vivendi Group and companies belonging to the group that it belongs to, Cassa Depositi e Prestiti (CDP) and its subsidiaries, the Ministry of Economy and Finance (MEF) and other related parties through Directors, Statutory Auditors and Key Managers.

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS 2023

(million euros)	**Total** (a)	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.** (b)	% of financial statement item (b/a)
Revenues	**14,311**	44	312			**356**	(279)	**77**	0.5
Other income	**141**	2	(11)			**(9)**	11	**2**	1.4
Acquisition of goods and services	**7,445**	124	207			**331**	(41)	**290**	3.9
Employee benefits expenses	**1,950**			74	18	**92**	(35)	**57**	2.9
Depreciation and amortization	**3,292**	—	5			**5**	(5)	**—**	—
Finance income	**1,235**		—			**—**	1	**1**	0.1
Finance expenses	**2,639**	4				**4**	—	**4**	0.2
Profit (loss) from Discontinued operations / Non current assets held for sale	**(1,013)**	1	(222)	34	1	**(186)**			

(*) Vivendi Group and companies belonging to the group that it belongs to, Cassa Depositi e Prestiti (CDP) and its subsidiaries and other related parties through Directors, Statutory Auditors and Key Managers.

The effects of related-party transactions on the TIM Group separate consolidated statements of financial position line items at December 31, 2024 and December 31, 2023, are as follows:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT DECEMBER 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)	—	(460)	(4)
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

(*) Vivendi Group and companies belonging to the group that it belongs to, Cassa Depositi e Prestiti (CDP) and its subsidiaries, the Ministry of Economy and Finance (MEF) and other related parties through Directors, Statutory Auditors and Key Managers.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT 12/31/2023

(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						
Non-current financial receivables arising from lease contracts	**(112)**		(64)		**(64)**	57.1
Current financial receivables arising from lease contracts	**(162)**		(53)		**(53)**	32.7
Non-current financial liabilities for lease contracts	**4,743**		2		**2**	—
Current financial liabilities for financing contracts and others	**5,771**	2			**2**	—
Current financial liabilities for lease contracts	**838**		3		**3**	0.4
Total net financial debt	**25,776**		**(112)**		**(110)**	**(0.4)**
Other statement of financial position line items						
Right of use assets	**5,515**		51		**51**	0.9
Miscellaneous receivables and other non-current assets	**2,187**	2			**2**	0.1
Trade and miscellaneous receivables and other current assets	**4,699**	50	44		**94**	2.0
Miscellaneous payables and other non-current liabilities	**1,326**		19		**19**	1.4
Trade and miscellaneous payables and other current liabilities	**9,384**	29	71	23	**123**	1.3

(*) Vivendi Group and companies belonging to the group that it belongs to, Cassa Depositi e Prestiti (CDP) and its subsidiaries and other related parties through Directors, Statutory Auditors and Key Managers.

The effects of the related-party transactions on the significant TIM Group consolidated statements of cash flows line items for 2024 and 2023 are as follows:

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS 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	2,849	1	13		**14**	(1)	13	0.5

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti (CDP) and its subsidiaries, the Ministry of Economy and Finance (MEF) and other related parties through Directors, Statutory Auditors and Key Managers.

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS 2023

(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	**2,832**	39	27		**66**	(26)	40	2.3

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti (CDP) and its subsidiaries and other related parties through Directors, Statutory Auditors and Key Managers.

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 noted 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)	2024	2023	TYPE OF CONTRACT
Revenues			
Polo Strategico Nazionale S.p.A.	183	72	Supply of software and related installation and configuration services; security services; cloud services, Data Center spaces, connectivity, design.
I-Systems S.A.	1	5	Services related to network operation and maintenance.
Italtel S.p.A.	1	2	Fixed and mobile telephony services including equipment, licenses and outsourcing services.
TIMFin S.p.A.	(28)	(36)	Mobile and fixed voice services, outsourcing services and fees; costs related to financing transactions recognized as a reduction of the Parent Company TIM S.p.A.'s revenues.
Other minor companies	—		
Total revenues	**157**	**44**	
Other income	**1**	**2**	Recovery of seconded personnel costs, recovery of centralized expenses.
Acquisition of goods and services			
I-Systems S.A.	78	80	Supply of multimedia communication services and capacity services.
Italtel S.p.A.	1	34	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.	7	9	Supply, installation and technical assistance services for geolocation equipment provided as part of offers to TIM customers, software development.
Other minor companies	—	1	
Total acquisition of goods and services	**86**	**124**	
Finance expenses			
TIMFin S.p.A.	4	4	Finance expenses for commission and other finance expenses.
Total finance expenses	**4**	**4**	

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2024	12/31/2023	TYPE OF CONTRACT
Net financial debt			
Current financial liabilities for financing contracts and others	**1**	**2**	Financial liabilities for expenses on the transfer of receivables in respect of TIMFin S.p.A.
Miscellaneous receivables and other non-current assets	**3**	**2**	Prepayment (non-current portion) of costs to Italtel S.p.A.
Polo Strategico Nazionale S.p.A.	185	45	Supply of products, software installation and configuration services, cloud servers, Data Center spaces, connectivity and design.
I-Systems S.A.	4	1	Services related to network operation and maintenance.
Italtel S.p.A.	—	2	Supply of fixed and mobile telephone services including equipment, Microsoft licenses and outsourcing services; prepayment (current portion) of costs.
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	**191**	**50**	
Trade and miscellaneous payables and other current liabilities			
Italtel S.p.A.	—	10	Supply contracts connected with investment and operation.
I-Systems S.A.	9	11	Supply of multimedia communication services and capacity services.
TIMFin S.p.A.	3	5	Miscellaneous costs for loans.
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.
W.A.Y. S.r.l.	3	2	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	**16**	**29**	

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2024	2023	TYPE OF CONTRACT
Purchase of intangible, tangible and rights of use assets on an accrual basis			
Italtel S.p.A.	1	39	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 rights of use assets on an accrual basis	**1**	**39**	

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:

- Vivendi Group and the companies of the group that it belongs to;
- Cassa Depositi e Prestiti Group (CDP) and Group subsidiaries;
- 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)	2024	2023	TYPE OF CONTRACT
Revenues			
Cassa Depositi e Prestiti Group	70	311	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.
Vivendi group	—	1	Circuit rental services and feasibility study for routing and submarine cable interface solutions in America to the Vivendi Group.
Other minor companies	1	—	
Totale ricavi	**71**	**312**	
Acquisition of goods and services			
Cassa Depositi e Prestiti Group	2	40	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	157	159	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	7	8	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.
Totale acquisti di materie e servizi	**166**	**207**	
Ammortamenti	**3**	**5**	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	2		
Cassa Depositi e Prestiti Group	1	—	
Totale proventi finanziari	**3**	**0**	

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2024	12/31/2023	TYPE OF CONTRACT
Net financial debt			
Non-current financial assets	**—**	**(64)**	Lease agreements for aerial infrastructure with Open Fiber (Cassa Depositi e Prestiti group).
Securities other than investments (current assets)	(437)	—	Bond securities issued by the Ministry of Economy and Finance (MEF).
Financial receivables and other current financial assets	(24)	(53)	Contratti di locazione infrastrutture con Open Fiber (gruppo Cassa Depositi e Prestiti).
Total financial receivables and other current financial assets	**(461)**	**(117)**	
Non-current financial liabilities	**—**	**2**	Leasing contract for Open Fiber (formerly Metroweb), a company of the Cassa Depositi e Prestiti group
Current financial liabilities	**—**	**3**	Payable for purchase in IRU infrastructure from Open Fiber (formerly Metroweb), a company of the Cassa Depositi e Prestiti group.
position line items			
Right of use assets	**1**	**51**	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			
Cassa Depositi e Prestiti Group	10	43	Cessione in IRU di diritti d'uso su Infrastrutture di Posa e Fibra Scura; fornitura servizi di Housing, manutenzione Fibra Scura e connettività dedicata GEA/Giganet, servizi di fonia fissa mobile ed apparati, servizi di outsourcing applicativi, servizi in cloud, servizi di manutenzione e fornitura energia elettrica.
Havas Group	2	1	Risconti attivi connessi a costi per servizi pubblicitari.
Total trade and miscellaneous receivables and other current assets	**12**	**44**	
Miscellaneous payables and other non-current liabilities			
Cassa Depositi e Prestiti Group	—	18	Risconti passivi da canoni differiti.
Vivendi group	—	1	Risconti passivi per vendita IRU.
Total miscellaneous payables and other non-current liabilities	**—**	**19**	
Trade and miscellaneous payables and other current liabilities			
Cassa Depositi e Prestiti Group	1	32	Concessione della posa di polifora per cavi di telecomunicazioni lungo le tratte autostradali (occupazione di suolo e spostamento cavi), utilizzo e manutenzione della rete Open Fiber (ex Metroweb) di Milano e Genova (quota rete primaria) e acquisti di energia elettrica.
Havas Group	29	36	Attività di service & advisory nell'ambito dell'acquisto di spazi media da parte del Gruppo TIM; studio e realizzazione di campagne pubblicitarie per i marchi TIM e KENA, servizi di gestione editoriale dei brand TIM sui social network e servizi di gestione della data room di TIM.
Vivendi group	1	3	Acquisto di contenuti digitali musicali e televisivi, gestione operativa della piattaforma dello store on line denominato “TIM I Love Games” di TIM e relativi sviluppi; servizio TIM Cloud Gaming (TIMGAMES) in modalità SaaS; utilizzo delle licenze piattaforma My Canal.
Total trade and miscellaneous payables and other current liabilities	**31**	**71**	

CONSOLIDATED STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2024	2023	TYPE OF CONTRACT
Purchase of intangible, tangible and rights of use assets on an accrual basis			
Cassa Depositi e Prestiti Group	13	27	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 rights of use assets on a cash basis	**13**	**27**	

Transactions with pension funds

The most significant amounts are summarized as follows:

SEPARATE CONSOLIDATED INCOME STATEMENT LINE ITEMS

(million euros)	2024	2023	TYPE OF CONTRACT
Employee benefits expenses			Contributions to pension funds.
Fontedir	7	8	
Telemaco	44	63	
Other pension funds	5	3	
Total employee benefits expenses	**56**	**74**	

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2024	12/31/2023	TYPE OF CONTRACT
Trade and miscellaneous payables and other current liabilities			Payables for contributions to pension funds.
Fontedir	2	2	
Telemaco	1	20	
Other pension funds	9	1	
payables and other current liabilities	**12**	**23**	

Remuneration to Key Managers with Strategic Responsibilities

In 2024, the total remuneration recorded on an accrual basis by TIM or by Group subsidiaries in respect of key managers amounted to 16 million euros (18 million euros in 2023).

(million euros)	2024	2023
Short-term remuneration	14 (1)	15 (3)
Long-term remuneration	—	—
Employment termination benefit incentives	—	—
Share-based payments (*)	2 (2)	3 (4)
Totale	**16**	**18**

(*) These refer to the fair value of the rights, accrued to December 31, 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 1.4 million euros recorded by the subsidiaries;
(2) of which 1.7 million euros recorded by subsidiaries;
(3) of which 1.4 million euros recorded by subsidiaries;
(4) of which 0.5 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 2024, do not include the effects of assessment differences related to 2023 costs amounting to -0.4 million euros for TIM S.p.A. Likewise, they do not take in the value referring to the taxable amount of the LTI 2021-2023 Plan shares granted during the first half of 2024, amounting to 0.5 million euros.

In 2024, the contributions paid in to defined contribution plans (Assida and Fontedir) by TIM S.p.A. on behalf of key managers, amounted to 232,000 thousand euros (230,900 thousand euros at December 31, 2023).

In 2024, "Key managers", 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	(1)	Chief Financial Officer
Paolo Chiriotti	(2)	Chief Human Resources & Organization Officer
Simone De Rose	(3)	Chief Procurement & Logistics Officer
Giampaolo Leone	(4)	Chief Procurement & Logistics Officer
Massimo Mancini	(5)	Chief Enterprise Market Officer
Roberto Mazzilli	(6)	Chief IT Group Officer
Giovanni Gionata Massimiliano Moglia	(7)	Chief Regulatory Affairs Officer
Agostino Nuzzolo	(8)	Chief Legal, Regulatory & Tax Officer
Claudio Giovanni Ezio Ongaro	(9)	Chief Strategy, Business Development & Wholebuy Officer
Elisabetta Romano	(10)	Chief Network, Operations & Wholesale Officer
Andrea Rossini		Chief Consumer, Small & Medium and Mobile Wholesale Market Officer
Eugenio Santagata	(11)	Chief Public Affairs, Security and International Business Officer
Elio Schiavo		Chief Enterprise and Innovative Solutions Officer

(1) From November 24, 2023 to June 30, 2024, also Interim Head of Administration, Finance & Control in the Chief Network, Operations & Wholesale Office.
(2) From November 24, 2023, to June 30, 2024, also Interim Head of Human Resources and Organization in the Chief Network, Operations & Wholesale Office.
(3) Until October 23, 2024. From November 24, 2023, to June 30, 2024, also Interim Head of Procurement in the Chief Network, Operations & Wholesale Office.
(4) Since October 24, 2024.
(5) Until March 6, 2024.
(6) Since September 27, 2024.
(7) Until June 30, 2024. From November 24, 2023, also Interim Head of Regulatory Affairs in the Chief Network, Operations & Wholesale Office.
(8) Head of Legal & Tax until September 27, 2024 and Head of Legal, Regulatory & Tax since September 28, 2024. From November 24, 2023, to June 30, 2024, also Interim Head of Legal & Tax in the Chief Network, Operations & Wholesale Office.
(9) From November 24, 2023, to June 30, 2024, also Interim Head of Strategy & Business Development in the Chief Network, Operations & Wholesale Office.
(10) Until June 30, 2024.
(11) Head of Public Affairs & Security Office until September 27, 2024. From November 24, 2023 to June 30, 2024, also Interim Head of Public Affairs & Security in the Chief Network, Operations & Wholesale Office.

NOTE 41
EQUITY COMPENSATION PLANS

The Shareholders' Meeting of April 23, 2020 approved the launch of the rolling and equity based long-term incentive plan called LTI 2020-2022.

The Plan envisaged three incentive cycles, connected with the performance three-year periods 2020-2022, 2021-2023, 2022-2024; over time, two of the three incentive cycles have been launched: 2020-2022, 2021-2023.

On April 7, 2022, the Shareholders' Meeting approved, after acknowledging the changes in scenario, the obsolescence of the 2020-2022 Long Term Incentive Plan and replaced the third cycle of this plan with the new 2022-2024 Stock Options Plan described below, which completed its vesting period on December 31, 2024.

For more details on the 2020-2022 LTI and 2021-2023 LTI Plans, see the TIM Group's Consolidated Financial Statements as at December 31, 2022 and December 31, 2023.

Description of stock option plans

TIM S.p.A. 2022-2024 Stock Option Plan.

The Shareholders' Meeting held on April 7, 2022, approved the one-shot 2022-2024 Stock Option Plan with the aim of attracting, retaining and providing long-term incentives for Group managers, who are the Plan's beneficiaries.

The final results of the objectives tied to this Plan were approved by the TIM S.p.A. Board of Directors on March 5, 2025.

It should be noted that these plans do not have a significant impact on profit and loss or the balance sheet as of December 31, 2024.

The Plan has a strike price of 0.4240 euros, a three-year vesting period (1.1.2022-12.31.2024) and a two-year exercise period (from approval of the 2024 financial statements and through to the next two years).

The following performance conditions are also envisaged for the three-year period 2022-2024:

- Cumulative (reported) Economic-financial indicator (EBITDA-CapEx) with a weight of 70%;
- ESG indicators with a total weight of 30%, structured into:
  - percentage of women in positions of responsibility (15%);
  - percentage of consumption of renewable energies (15%).

The level of achievement of the indicators determines the accrual of option rights over an interval that ranges from -10% to + 10% with respect to the target number allocated per bracket.

At December 31, 2024, there were a total of 142 addressees and the number of options assigned at target is 196,144,979.

For further details, see the Information Document on the initiative at

https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2022/ita/Doc-informativo-Piano-stockoption-22-24.pdf.

Description of other compensation plans

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 the number of performance shares granted under the Special Grant by 220,743 to conform the award to the new participant role.

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, payment in cash was considered in June 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 October, 57,021 shares were transferred to beneficiaries, 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. As of December 31, 2024, 48,123 shares had been canceled due to beneficiaries leaving the Company.

As of December 31, 2024, 240,228 of a total of 1,227,712 allocated shares had been canceled due to beneficiaries leaving the Company. This left a total of 426,595 shares that could be vested at the end of the period.

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 October, 135,421 shares were transferred to beneficiaries, 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.

As of December 31, 2024, 156,811 of a total of 1,560,993 allocated shares had been canceled due to beneficiaries leaving the Company. This left a total of 1,097,732 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.

As of December 31, 2024, 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 1,142,341 shares that could be vested at the end of the period.

Calculation of fair value measurement of the granted options and rights

Parameters used to determine the fair value – TIM S.p.A.

Plans/Parameters	Exercise price (euros)	Nominal value (euros) (1)	Volatility (2)	Duration	Expected dividends (euros) (3)	Risk-free interest rate (4)
SOP 2022-2024	0.424	—	34.6%	3 years	0.02	0.479% at 3 years

(1) Arithmetic mean of the official prices of the Shares recognized starting from the stock market trading day prior to that of assignment until the thirtieth previous ordinary calendar day (both included) on the Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A., calculated using only the days to which the prices taken as the basis of calculation refer as the divisor, cut off at the second decimal.
(2) Based on the performance objectives of the plan, the TIM share volatility values were considered and, if necessary, also those of the securities of the major companies of the telecommunications sector ("peer basket").
(3) Dividends have been estimated on the basis of Bloomberg data.
(4) The risk-free interest rate refers to the rate of government bonds of the Federal Republic of Germany (market benchmark for transactions in euros) on the valuation date with a maturity consistent with the reporting period.

Parameters used for the assignments of TIM S.A.

Plans/Parameters	Nominal value (reais)	Duration
PS/RS Plan 2021	12.95	3 years
PS/RS Plan 2022	13.23	3 years
PS/RS Plan 2023	12.60	3 years
PS/RS Plan 2024	18.34	3 years

Effects on the income statement and statement of financial position

Equity compensation plans which call for payment in equity instruments are recorded at fair value, which represents the cost of such instruments at the grant date and is recorded in the separate income statements under "Employee benefits expenses" over the period between the grant date and the vesting period with a contra-entry to the equity reserve ("Other equity instruments"). For the portion of the plans that provide for the payment of compensation in cash, the amount is recognized in liabilities as a contra-entry to "Employee benefits expenses". Equity compensation plans which call for payment in equity instruments did not have significant impacts either on the income statements or the statements of financial position or of cash flows of the TIM Group at December 31, 2024.

NOTE 42

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The effect of 2024 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 year	Net financial debt	Cash flows (*)
Carrying amount	**(a)**	**13,361**	**(364)**	**10,126**	**113**
Other income		55	55	—	—
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses		(23)	(23)	24	(24)
Employee benefits expenses - Charges connected to corporate reorganization/restructuring and other costs		(83)	(83)	458	(458)
Other operating expenses - Charges from regulatory litigation and sanctions and contingencies, other provisions and charges		(41)	(41)	168	(168)
Gains on disposals of non-current assets		3	3	(1)	1
Impairment losses related to the sale of the Telecom Italia Sparkle group		(80)	(80)	—	—
Other income/(expense) from investments		69	69	(271)	271
Other finance income		1	1	—	—
Other finance expenses		(79)	(79)	—	—
Total non-recurring effects	**(b)**	**(178)**	**(178)**	**378**	**(378)**
Income/(Expenses) relating to Discontinued operations	**(c)**	**166**	**166**	**(15,321)**	**4,169**
Figurative amount – financial statements	**(a-b-c)**	**13,373**	**(352)**	**25,069**	**(3,678)**

(*) Cash flows refer to the increase (decrease) in Cash and cash equivalents during the year.

The impact of non-recurring items on the Separate Consolidated Income Statements line items is as follows:

(million euros)	2024	2023
Operating revenues and other income:		
Other income - Contingent gain	55	—
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)	(42)
Employee benefits expenses:		
Charges connected to corporate reorganization/restructuring and other costs	(87)	(482)
Other operating expenses:		
Expenses from regulatory litigation and sanctions and contingencies, other provisions and expenses	(45)	(132)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**(100)**	**(656)**
Gains (losses) on disposals of non-current assets:		
Gains on disposals of non-current assets	3	—
Net losses on disposals of non-current assets	—	(3)
Impairment reversals (losses) on non-current assets		
Impairment losses related to the sale of the Telecom Italia Sparkle group	(80)	—
Impact on Operating profit (loss) (EBIT)	**(177)**	**(659)**
Other income (expenses) from investments:		
Other (expenses)/income from corporate operations	68	—
Net capital gain on corporate transactions	—	46
Finance income:		
Other finance income	1	(3)
Finance expenses:		
Other finance expenses	(96)	(35)
Impact on profit (loss) before tax from continuing operations	**(204)**	**(651)**
Income tax expense on non-recurring items	26	(1)
Income/(Expenses) relating to Discontinued operations	**166**	**(18)**
Impact on Profit (loss) for the year	**(12)**	**(670)**

NOTE 43

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 2024 the TIM Group did not pursue any atypical and/or unusual transactions, as defined by that Communication.

NOTE 44
OTHER INFORMATION

(a) Exchange rates used to translate the financial statements of foreign operations(*)

(local currency against 1 euro)		Year-end exchange rates (statements of financial position) 12/31/2024	12/31/2023	Average exchange rates for the year (income statements and statements of 2024	2023
Europe					
BGN	Bulgarian lev	**1.95580**	1.95580	**1.95580**	1.95580
CZK	Czech koruna	**25.18500**	24.72400	**25.11989**	24.00227
CHF	Swiss franc	**0.94120**	0.92600	**0.95268**	0.97174
TRY	Turkish lira	**36.73720**	32.65310	**35.56202**	25.72788
GBP	Pound sterling	**0.82918**	0.86905	**0.84666**	0.86984
RON	Romanian leu	**4.97430**	4.97560	**4.97463**	4.94676
RUB	Russian ruble	**117.69650**	99.55840	**100.43821**	92.48971
North America					
USD	U.S. dollar	**1.03890**	1.10500	**1.08209**	1.08157
Latin America					
VES	Venezuelan bolivar	**53.77410**	39.62740	**41.50741**	30.78872
BOB	Bolivian boliviano	**7.15080**	7.64290	**7.46514**	7.46531
PEN	Peruvian nuevo sol	**3.88790**	4.09640	**4.06054**	4.04772
ARS	Argentine peso	**1,067.32740**	894.53730	**990.20651**	319.80098
CLP	Chilean peso	**1,031.22000**	974.79000	**1,021.10031**	908.72842
COP	Colombian peso	**4,559.17000**	4,287.88000	**4,406.72481**	4,672.59585
BRL	Brazilian real	**6.43318**	5.34964	**5.82877**	5.40158
Other countries					
ILS	Israeli shekel	**3.78850**	3.99930	**4.00504**	3.98749
INR	Indian rupee	**88.93350**	91.90450	**90.53835**	89.32065
NGN	Nigerian naira	**1,597.89150**	1,008.82030	**1,602.68136**	693.02751

(*) 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)	2024	2023
Research and development costs expensed during the year	35	39
Capitalized development costs	523	566
Total research and development costs (expensed and capitalized)	**558**	**605**

The reduction compared to 2023 is mainly attributable to the Parent Company TIM S.p.A. partly due to the time rescheduling of some projects (IPCEI, Public Safety) and partly due to the reduction of information technology related spending as a result of efficiency and rationalization of suppliers.

In the 2024 Separate Consolidated Income Statement, a total of 575 million euros of amortization expense was recorded for development costs, capitalized during the year and in prior years.

Research and development activities carried out by the TIM Group are described in detail in the Report on Operations (“Innovation, Research and Development” section).

(c) Lease income

The TIM Group has entered into lease contracts on land and buildings for office and industrial use, mobile network infrastructure sites and network infrastructure; at December 31, 2024 and at December 31, 2023 the lease installments at nominal value still to be collected totaled:

(million euros)	12/31/2024	12/31/2023
Within next year	43	97
From 1 to 2 years after the end of the reporting period	5	46
From 2 to 3 years after the end of the reporting period	5	41
From 3 to 4 years after the end of the reporting period	5	39
From 4 to 5 years after the end of the reporting period	4	37
Beyond 5 years after the end of the reporting period	2	34
Total	**64**	**294**

(d) Public funds

Italian Law 124/2017 requires that information on subsidies, contributions, paid assignments and economic benefits of any kind received from Italian public administrations be provided. In this regard, the following table shows the disbursements collected by the TIM Group in the years 2024 and 2023:

Distributing entity	Area of intervention	Received in 2024	Received in 2023
Fondimpresa/Fondirigenti	training	2	3
Infratel	construction of network	7	758 (*)
Ministry of Enterprises and Made in Italy (MIMIT)(1)	research and innovation	32	3
ANPAL	training	1	3
Other(2)		1	1
Total		**43**	**768**

(*) include 488 million euros collected on January 2, 2024; 705 million euros were disbursed to FiberCop S.p.A. on July 1, 2024.
(1) 2024 - includes TIM Edge & Cloud Continuum projects; TIMONE, CADUCEO; 2023 – includes ChAALenge and TIMONE Projects.
(2) 2024 - MUR and the Lombardy Region, Sector affected: research; 2023 – MUR; Sector affected: research.

- In 2024, TIM S.p.A. received an advance of 31.2 million euros on non-repayable grants for the TIM Edge & Cloud Continuum project, targeted at research and development of a next-generation Edge and Cloud environment.
  These benefits were granted by the Ministry of Enterprises and Made in Italy under the IPCEI Fund, in accordance with Article 5 of the Decree of April 21, 2021.

- In 2024, TIM also received 7 million euros in non-repayable grants relating to the Investment Project for the Construction of Broadband Infrastructure in the Tuscany Region.
  The project falls under State aid no. SA.33807(2011/N) concerning the implementation of the "National broadband plan Italy", authorized by the European Commission in Decision C(2012) 3488 of May 24, 2012. In January 2015, TIM S.p.A. was admitted to the benefit scheme of Infratel Italia S.p.A. The scheme began on March 11, 2015, and it finished being implemented on October 30, 2017.

- TIM also received non-repayable grants of EUR 0.7 million euros in 2024 and EUR 0.9 million euros in 2023 in relation to the "TIMONE - TIM Oss for Network Evolution" research and development project (Scheme no. F/140007/00/X39). TIM was admitted to the benefit scheme of the Italian facilities by the Ministry of Economic Development (now Ministry of Enterprises and Made in Italy) in June 2020 (M.D. 0002324 - 06/03/2020).
  The 6 Goals of the TIMONE scheme were target at OSS transformation and evolution activities in the areas of Network Creation & Inventory, Fulfillment, Assurance and AI/CC/ML.
  The scheme was rolled out on October 1, 2019 and wrapped up on September 30, 2022.

- TIM S.p.A. was admitted to the benefits scheme introduced by the Ministry of Enterprises and Made of Italy under Ministerial Decree of March 5, 2018 in relation to two R&D projects concerning technological innovation in the health sector: ChAALenge (Scheme no. F/180016/01-05/X43) and CADUCEO (Scheme no. F/180025/01-05/X43 - "Cloud plAtform for intelligent prevention and Diagnosis sUpported by artifiCial intelligEnce solutiOns).
  - The ChAALenge project's "Smart Everything Everywhere" model aims to improve the quality of life of frail people in every environment by building an integrated system to support frailty and aging. The project was rolled out on January 1, 2021 and wrapped up on December 31, 2023. TIM received non-repayable grants of 0.4 million euros in 2023. No disbursements were made in FY2024.
  - The CADUCEO project aims to create an advanced cloud platform supported by AI-based solutions for intelligent prevention and diagnosis in the field of health. The project's core concept is to harness the power of AI and cloud computing to improve medical diagnosis and prevention strategies. The project was rolled out on January 11, 2021 and wrapped up on December 31, 2024. TIM received non-repayable grants of 0.2 million euros in 2024.

(e) Directors' and statutory auditors' remuneration

Total remuneration due for 2024 to the directors and statutory auditors of TIM S.p.A. for the performance of these functions at the Parent and in other consolidated companies totaled 2.343 million euros for directors and 0.573 million euros for statutory auditors. In reference to the compensation to which the Directors are entitled, it should be noted that the amount was calculated by considering only compensation for corporate offices (in primis those under Article 2389, subsections 1 and 3 of the Italian Civil Code), thus excluding amounts relating to any employment relationship with the companies of the Group and any non-monetary fringe benefits; for a complete and detailed description of the compensation paid to the directors and statutory auditors, reference should be made to the Compensation Report, available at the Company's headquarters and on the corporate website at the following address: gruppotim.it/assembly.

(f) Summary schedule of fees due to the audit firm and other firms in its network

The following schedule reports the fees due to EY S.p.A. and to the other firms in the EY network for the audit of the 2024 financial statements, and the fees referring to 2024 for other audit and review services, and for other services besides audit rendered to the companies of the TIM Group from EY S.p.A. and other firms in the EY network. The out-of-pocket expenses incurred for these services in 2024 are also shown.

	EY S.p.A.			Other entities of the EY network			
(thousands of euros)	TIM S.p.A.	Subsidiaries	TIM Group	TIM S.p.A.	Subsidiaries	TIM Group	Total EY network
Audit services	3,415	2,266	5,681	—	2,261	2,261	7,942
Audit services with the issue of certification	479	172	651	—	3	3	654
Sustainability statement assurance services	360	—	360	—	51	51	411
Other services	—	—	—	—	150	150	150
Total 2024 fees due for auditing and other services to the EY network	**4,254**	**2,438**	**6,692**	**—**	**2,465**	**2,465**	**9,157**
Out-of-pocket expenses	39	30	69	—	29	29	98
Total	**4,293**	**2,468**	**6,761**	**—**	**2,494**	**2,494**	**9,255**

NOTE 45
EVENTS AFTER DECEMBER 31, 2024

TIM S.A. settles disputes with C6 group and monetizes its interests

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 four arbitration proceedings currently 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 provides for the termination of the partnership, as well as the transfer of all shares held by TIM S.A. in Banco C6 S.A., as well as all outstanding subscription options, for an amount of 520 million Brazilian reais (before taxes). The transfer of shares and options was subject to the approval of the Cayman Islands Monetary Authority (CIMA). Following the intervening approval, on March 20, 2025 TIM S.A. announced the termination of the Partnership between the Companies, all related litigation, and the termination of the four pending arbitration proceedings. Following this, the two companies will make financial adjustments between the parties.

TIM S.p.A.: the BoD approved MEF and Retelit's bid for Sparkle

On February 12, 2025, TIM's Board of Directors reviewed the binding offer for the purchase of TIM's 100% stake in Telecom Italia Sparkle S.p.A., sent the previous day by the Ministry of Economy and Finance (MEF) and Retelit S.p.A.

The Board, at the outcome of an extensive and thorough review, conducted with the assistance of leading financial and legal advisors, unanimously approved, and with the favorable opinion of the Related Parties Committee, the purchase offer submitted by the MEF and Retelit, which valued Telecom Italia Sparkle S.p.A. at 700 million euros.

Contracts will be signed by April 11, 2025, and the sale is expected to be finalized by the first quarter of 2026, once preparatory activities, including obtaining Antitrust and Golden Power approvals, have been completed.

Approval by TIM S.A. of a new share buyback program and termination of the previous program

On February 12, 2025, TIM S.A. (Brazil Business Unit) announced that on that date its Board of Directors approved a new program to repurchase shares issued by it (Program 8), pursuant to Section 22, V, of the Company's Bylaws and CVM Resolution no. 77/22, with the following conditions:

- objective: the repurchase of TIM S.A. ordinary shares, to be held in treasury and subsequently cancelled, without reducing share capital, and with the main objective of increasing shareholder value through the efficient use of available cash resources by optimizing TIM's capital allocation. In addition, a small portion of these shares will be allocated to support variable share-based compensation related to the Long-Term Incentive Plan ("LTI");
- number of shares that can be purchased under Program 8: up to 67,210,173 ordinary shares of the Company, corresponding to approximately 2.78% of the total ordinary shares of the Company. The share related to LTI represents less than 8% of the total to be repurchased (about 5 million shares). The company's management can decide on the best time within the duration of the program to make share purchases, and may make one or more purchases;
- timing, price, and method of repurchase: Program 8 will commence from the date of the Board resolution and remain in effect until August 13, 2026. Acquisitions will be made on the Stock Exchange (B3 S.A. - Brasil, Bolsa, Balcão), at market prices, in compliance with applicable legal and regulatory limits;
- Intermediary financial institutions: for the share repurchase transactions, the appointed intermediaries will be Morgan Stanley corretora de títulos e valores mobiliários S.A., J.P. Morgan corretora de câmbio e valores mobiliários S.A., BTG Pactual corretora de títulos e valores mobiliários S.A. and UBS BB corretora de câmbio, títulos e valores mobiliários S.A.;
- financial resources: resources from the balances of profit reserves, which amount to R$6,285,419,877.54, according to the budget for the year ending December 31, 2024, will be used, with the exception of the reserves referred to in Section 8, paragraph 1 of CVM Resolution 77/22. The approximate maximum amount to be used in Program 8 is 1 billion reais.

A condition for the approval of Program 8 was that the previous program approved at the TIM S.A. Board of Directors meeting on July 30, 2024 ("Program 7") had actually come to an end.

NOTE 46
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	% of voting rights	Participating companies
PARENT COMPANY						
TIM S.p.A.	MILAN	EUR	11,677,002,855			
SUBSIDIARIES CONSOLIDATED LINE-BY-LINE						
DOMESTIC BU						
CD FIBER S.r.l. (in liquidation) (*) (design, construction, maintenance and management of network infrastructure services and high-speed electronic communication systems)	ROME	EUR	50,000	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.
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 PAYMENT SOLUTIONS S.p.A. (in liquidation) (**) (management of equity investments, study and research activities, commercial, industrial, financial movable and real estate activities)	MILAN	EUR	50,000	100.0000		OLIVETTI 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.
PANAMA DIGITAL GATEWAY S.A. (telecommunications services and data center	PANAMA CITY (PANAMA)	USD	10,000	60.0000		TELECOM ITALIA SPARKLE 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.
SPARKLE COMMUNICATIONS INDIA PRIVATE Ltd. (telecommunications services)	MUMBAI	INR	25,500,000	99,9998 0,0002		TELECOM ITALIA SPARKLE S.p.A. TI SPARKLE UK Ltd
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.
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.

(*) deleted from the Companies Register on February 12, 2025.
(*) deleted from the Companies Register on January 28, 2025.

Company name	Reg. office	Currency	Share Capital	% Ownership	% of voting rights	Participating companies
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.
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 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 SLOVAKIA S.R.O. (in liquidation) (telecommunications services)	BRATISLAVA (SLOVAKIA)	EUR	300,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SPARKLE SPAIN TELECOMMUNICATIONS S.L. (telecommunications services)	MADRID (SPAIN)	EUR	1,687,124	100.0000		TELECOM ITALIA SPARKLE S.p.A.
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.
TIM MY BROKER S.r.l. (insurance brokerage)	ROME	EUR	10,000	100.0000		TIM S.p.A.

Company name	Reg. office	Currency	Share Capital	% Ownership	% of voting rights	Participating companies
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.
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
TS-WAY S.r.l. (safeguarding and protecting the company's IT assets in the field of IT security)	ORVIETO (TERNI)	EUR	11,364	100.0000		TELSY 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 0,0083	66.5937	TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A. TIM S.A.
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	99.9998		TIM S.p.A.

Company name	Reg. office	Currency	Share Capital	% Ownership	% of voting rights	Participating companies
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).

Company name	Reg. office	Currency	Share Capital	% Ownership	% of voting rights	Participating companies
OTHER MAJOR INVESTMENTS						
CONSORZIO ITALIAN BROADCASTING ADVANCE SOLUTIONS (I.B.A.S.) (in liquidation) (consultancy services for the management of joint promotional activities and related public relations of consortium members)	DESENZANO DEL GARDA (BRESCIA)	EUR	16,000	12.5000		OLIVETTI S.p.A. SOCIETA' BENEFIT
FIN.PRIV. S.r.l. (financial company)	MILAN	EUR	20,000	14.2850		TIM S.p.A.
MIX S.r.l. (internet service provider)	MILAN	EUR	2,500,000	11.0937		TIM S.p.A.

CERTIFICATION OF THE 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 consolidated financial statements for the 2024 fiscal year.

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 Consolidated Financial Statements at December 31, 2024:

   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 Report on Operations contains a reliable operating and financial review of the Company and of the consolidated Group, as well as a description of their exposure to the main risks and uncertainties. The Report on Operations also contains a reliable analysis of information concerning significant related-party transactions.

March 5, 2025

Chief Executive Officer	**Executive Responsible for Preparing the Corporate Financial Reports**
/ signed /	/ signed /
Pietro Labriola	Adrian Calaza Noia

INDEPENDENT AUDITORS' REPORT

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
TIM S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TIM Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the TIM S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Shape the future
with confidence

We identified the following key audit matters:

Key Audit Matter	Audit Response
Discontinued operations	
On July 1, 2024, in accordance with the Transaction Agreement executed between TIM and Optics S.p.A., a company controlled by Kohlberg Kravis Roberts & Co. L.P., the subsidiary Fibercop S.p.A., to which the business comprising the primary network assets and laying infrastructure had been previously contributed, has been disposed. The loss of control resulting from the disposal of the interest in Fibercop S.p.A. led to its deconsolidation and to the recognition of the related economic and financial effects. The gain on disposal amounted to approximately Euro 0.2 billion, net of the related costs to sell and after the allocation of the portion of goodwill attributable to the disposed entity. The economic results of the disposed entity, attributable to TIM Group up to the date of the Transaction, have been classified as Discontinued Operations, in compliance with IFRS 5. Considering its complexity and relevance, as well as due to the level of judgment required in estimating certain elements which impact its result – such as the definition of certain components of the consideration received and the attribution of the goodwill – the Transaction has been considered as a key audit matter. Disclosures related to the Transaction are provided in Note 14 “Non-current assets held for sale/Discontinued operations”.	Our audit procedures in response to this key audit matter included, among others: ► obtaining an understanding of the Transaction by participating in meetings with the Company’s management and analyzing the Transaction Agreement and its Annexes; ► the assessment of the methodology adopted by the Company to define the perimeter of the Transaction, with particular regard to the assumptions used in the process of allocating the goodwill to the disposed entity; ► the evaluation of the reasonableness of the assumptions underlying the definition of the consideration received, with specific attention to those components whose valuation required a high level of judgment, such as the rights of use on P2P connections; ► the detailed testing of the identification and quantification of the costs to sell related to the Transaction ► the analysis and assessment of the compliance of the accounting treatment of the Transaction, as well as of its presentation within the Financial Statements, with IFRS 5. ► the review of the adequacy of the disclosures provided in the notes to the consolidated financial statements with regards to the Transaction
Impairment test of goodwill – Domestic	
As of December 31, 2024, goodwill amounts to Euro 11,030 million and refers for Euro 10,185 million to the Domestic cash generating unit ("CGU") and for Euro 845 million to the Brazil CGU. The Company determined the portion of goodwill to be allocated to the disposed entity. The processes and methodologies used by the	Our audit procedures in response to the key audit matter included, among others: ► the assessment of the processes implemented by the Group management with reference to the criteria and methodology of the impairment test; ► the validation of the CGUs perimeter and the test of the allocation of the carrying value of the Group’s assets to each CGU taking into

Group to evaluate and determine the recoverable amount of each CGU, are based on assumptions that are in some cases complex and that, due to their nature, imply the use of judgement by Management, in particular with reference to the forecast of future cash flows and to the estimate of the long-term growth and discount rates applied to the future cash flow forecasts.

Considering the level of judgment required and the complexity of the assumptions applied in estimating the recoverable amount of goodwill, we considered this area a key audit matter.

Disclosures related to the assessment of goodwill are reported in note 4 "Goodwill" and in note 2 "Accounting policies" in the paragraphs “Intangible assets - Goodwill”," Impairment of intangible, tangible and rights of use assets - Goodwill" and "Use of estimates".

account the disposal of Fibercop and the attribution of goodwill to disposed entity;

- the assessment of the reasonableness of the future cash flows forecasts, including comparisons with sector data and forecasts, utilized in the fair value determination;
- the assessment of the consistency of the future cash flows forecasts of each CGU with the Group business plan;
- the assessment of forecasts in light of their historical accuracy;
- the assessment of the reasonableness of long-term growth rates and discount rates.

The procedures referred to in the previous points also concerned the analysis of the assessments performed by the independent experts appointed by the Group.

In performing our analysis, we involved our experts in valuation techniques, who performed an independent recalculation and carried out sensitivity analyses on the key assumptions in order to determine which changes in the assumptions could materially affect the recoverable amount.

Lastly, we reviewed the adequacy of the disclosures provided in the notes to the consolidated financial statements with regards to the valuation of goodwill.

Revenue recognition

TIM Group’s revenues amounted to Euro 14,442 million as of December 31, 2024, and refer almost entirely to the telecommunications services rendered to retail and enterprise customers.

Procedures over the accounting of revenues required significant focus in the context of our audit procedures due to (i) a highly complex accounting process due to the number of commercial offers, the number of underlying application systems and the related reconciliation processes, (ii) the presence of certain manual phases in the revenue recognition process, in particular for services provided to large customers and (iii) the complexity in estimating commitments

Our audit procedures in response to the key audit matter included, among others:

- an understanding of the processes underlying the revenue recognition;
- the understanding and verification of the design and operating effectiveness of the relevant controls over the revenue recognition process;
- the analysis of the application systems supporting the revenue recognition process;
- the assessment that the accounting policy adopted for the main commercial offers is consistent with the provisions of the reference accounting standard;

connected to certain contracts.

The Group provides the relative disclosures in Note 26 "Revenues" of the consolidated financial statements.

- the analysis, on a sample basis, of some significant transactions relating to invoices issued and invoices to be issued, in order to verify that the contractual data and the evidence supporting the actual service rendered and / or goods transferred were consistent with the accounting policy adopted;
- the analysis of the valuation of certain contracts identified as onerous contracts;
- the analysis of the reconciliation of the management accounts with the accounting records in connection with the main balance sheet items related to customer relations;
- the analysis of the manual journal entries.

We also required external confirmations for a sample of customers and transactions.

Lastly, we reviewed the adequacy of the disclosure provided in the notes to the consolidated financial statements with regards to the revenue recognition process.

Regulatory disputes

As of December 31, 2024, TIM Group is involved in several regulatory disputes in progress, many of which are characterized by significant counterparty requests.

The main disputes concern (i) the 28-day billing proceeding, in which AGCOM ordered TIM to reimburse customers for unused service days, (ii) the I820 proceeding in which AGCM fined TIM for a conduct restricting market competition, (iii) the I857 proceeding for a possible agreement restricting market competition in connection with the partnership with DAZN and (iv) the A514, and the related “follow-on” proposed by some other OLOs, procedure in which the AGCM charged TIM with conduct aimed at hindering the entry on the market of a new operator.

In 2024, the Italian Competition Authority (AGCM) initiate an investigation pursuant to Article 14 of Law No. 287/1990 against FiberCop S.p.A. and Telecom Italia S.p.A. to assess potential violations of Article 101 TFEU, or to verify whether any condition occurred that

Our audit procedures in response to the key audit matter included, among others:

- an understanding of the process put in place by Management for assessing disputes, accompanied by test of the effectiveness of the internal controls relevant for this process;
- inquiries with Management regarding the main assumptions made in connection with disputes;
- testing of the "Legal Suite" database in order to assess the completeness of the proceedings in which the company is involved;
- the analysis of the legal opinions prepared by external consultants, based on which Management has based its assessments;
- the analysis of the responses received from external lawyers following our external confirmations procedures.

Lastly, we reviewed the adequacy of the

may prevent or restrict competition in the context of the execution of the Master Service Agreement signed upon completion of the disposal of Fibercop. The assessment of the disputes was carried out by Management, as of 31 December 2024, based on the opinion of the external lawyers, as well as considering the latest information available. The estimation of the risks connected to the disputes in which the Group is involved, requires a high degree of judgment by the management and, also considering the complexity of the regulatory framework, we considered this area a key audit matter. Disclosures related to the assessment of the risks relating to the regulatory disputes in which the Group is involved is reported in note 25 "Disputes and pending legal actions, other information, commitments and guarantees".	disclosures provided in the notes to the consolidated financial statements.
Fiscal disputes in Brazil	
As of December 31, 2024, the TIM Group is involved in several disputes with the Brazilian tax authorities. The maximum potential liability associated with these disputes, as at December 31, 2024, amounts to Euro 3.5 billion. With reference to this potential liability, the Group recognized a provision of Euro 125 million with regards to the risks deemed probable. The assessment of the risk related to the tax disputes in Brazil in which the Group is involved, requires a high degree of judgment by the Management and, also considering the significance of the amounts involved, we considered it to be a key audit matter. Disclosures related to the assessment of the risks relating to the fiscal disputes in which the Group is involved is reported in note 25 "Disputes and pending legal actions, other information, commitments and guarantees".	Our audit procedures in response to the key audit matter included, among others: ► an understanding of the process put in place by Management for assessing disputes, accompanied by test of the effectiveness of the controls relevant for this process; ► inquiries with Management regarding the main assumptions made in connection with disputes; ► the analysis of the legal opinions prepared by external consultants, based on which Management has based its assessments; ► the analysis of the responses to our external confirmation procedures received from external lawyers, also with the involvement of our experts in tax disputes. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the consolidated financial statements with regards to the disputes in which the Group is involved, based on their compliance with the international accounting standards and their consistency with the results of our audit procedures.

Recoverability of deferred tax assets	
As of December 31, 2024, deferred tax assets amount, net of impairment, to Euro 452 million in the consolidated financial statements. Deferred tax assets refer to the temporary deductible differences between the book and fiscal values of assets and liabilities in the financial statements. The recoverability of the carrying amount of the deferred tax assets is subject to management's evaluation and is based on the estimations of the future taxable income expected in the years in which they will be reversed. The processes and methodologies used to evaluate and determine the recoverable amount of these assets, are based on assumptions that are in some cases complex and that, due to their nature, imply the use of judgement by Management, in particular with reference to the consistency of the forecasts of future taxable income expected by the Group with those included in the business plan. Considering the level of judgment required and the complexity of the assumptions applied in estimating future taxable amount used to determine the recoverability of the deferred tax assets, we considered this area a key audit matter. Disclosures related to the assessment of recoverability of deferred tax assets are reported in note 2 "Accounting policies" in the paragraphs "Income tax expense (current and deferred)" and "Use of estimates" and in note 11 "Income tax expense (current and deferred)".	Our audit procedures in response to the key audit matter included, among others: ► the assessment of the reasonableness of the assumptions underlying the estimation of future taxable income and the reconciliation with the figures included in the Group's business plan; ► the assessment of the reasonableness of the accuracy of the forecasts compared with prior periods; ► the assessment of the Management calculations. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the consolidated financial statements with regards to the recoverability of deferred tax assets.

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

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of TIM S.p.A., in the general meeting held on March 29, 2019, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2019 to December 31, 2027.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of TIM S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as of December 31, 2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of TIM S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Group TIM as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

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

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of TIM Group as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

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

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Turin, March 24, 2025

EY S.p.A.
Signed by: Ettore Abate, Auditor

As disclosed by the Directors, the accompanying consolidated financial statements of TIM S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's 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.

TIM S.p.A

SEPARATE financial STATEMENTS

CONTENTS

TIM S.p.A. SEPARATE FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

Assets

(euros)	notes	12/31/2024	of which with related parties	12/31/2023	of which with related parties
Non-current assets					
Intangible assets					
Goodwill	3)	8,813,746,000		12,063,469,183	
Intangible assets with a finite useful life	4)	3,957,667,705		4,578,957,442	
		12,771,413,705		**16,642,426,625**	
Tangible assets	5)				
Property, plant and equipment owned		**1,720,965,830**		**6,561,464,614**	
Rights of use assets	6)	**1,512,686,403**	*18,931,000*	**3,270,484,717**	*154,407,000*
Other non-current assets					
Investments	7)	7,433,825,513		10,902,395,052	
Non-current financial receivables arising from lease contracts	8)	14,461,801	*9,597,000*	6,237,932	*700,000*
Other non-current financial assets	8)	1,578,610,214	*1,106,271,000*	3,886,198,407	*3,121,389,000*
Miscellaneous receivables and other non-current assets	9)	1,551,597,641	*154,610,000*	1,794,904,658	*301,830,000*
Deferred tax assets	10)	299,318,138		405,800,781	
		10,877,813,307		**16,995,536,830**	
Total Non-current assets	**(a)**	**26,882,879,245**		**43,469,912,786**	
Current assets					
Inventories	11)	147,970,346		197,573,793	
Trade and miscellaneous receivables and other current assets	12)	3,138,672,395	*499,243,000*	4,560,827,085	*1,324,660,000*
Current income tax receivables	10)	48,145,130		42,088,505	
Investments					
Current financial assets					
Current financial receivables arising from lease contracts		*25,567,202*	*25,982,000*	*67,810,292*	*1,465,000*
Securities other than investments, other financial receivables and other current financial assets		*446,769,038*	*411,903,000*	*1,032,474,037*	*462,769,000*
Cash and cash equivalents		819,532,528	*87,490,000*	**598,149,745**	*38,187,000*
	8)	**1,291,868,768**		**1,698,434,074**	
Total Current assets	**(b)**	**4,626,656,639**		**6,498,923,457**	
Total Assets	**(a+b)**	**31,509,535,884**		**49,968,836,243**	

Equity and Liabilities

(euros)	note	31.12.2024	*di cui con parti correlate*	31.12.2023	*di cui con parti correlate*
Equity	14)				
Share capital issued		11,677,002,855		11,677,002,855	
less: Treasury shares		(52,729,749)		(57,442,495)	
Share capital		**11,624,273,106**		**11,619,560,360**	
Additional paid-in capital		**—**		**575,673,347**	
Legal reserve		**1,915,709,471**		**2,335,400,571**	
Other reserves					
Reserve for remeasurements of employee defined benefit plans (IAS 19)		(60,156,948)		(72,960,270)	
Other		(134,827,868)		(306,065,772)	
Total Other reserves		**(194,984,816)**		**(379,026,042)**	
Retained earnings (accumulated losses), including profit (loss) for the year		**(1,242,499,280)**		**(995,364,448)**	
Total Equity	**(c)**	**12,102,498,481**		**13,156,243,788**	
Non-current liabilities					
Non-current financial liabilities for financing contracts and others	15)	7,364,513,135	*2,438,919,000*	18,094,374,819	*4,619,413,000*
Non-current financial liabilities for lease contracts	15)	644,120,072	*16,245,000*	2,710,085,065	*21,378,000*
Employee benefits	20)	163,334,112		471,484,414	
Deferred tax liabilities	10)				
Provisions	21)	199,009,826		254,410,281	
Miscellaneous payables and other non-current liabilities	22)	699,130,796	*1,081,000*	1,047,472,729	*31,815,000*
Total Non-current liabilities	**(d)**	**9,070,107,941**		**22,577,827,308**	
Current liabilities					
Current financial liabilities for financing contracts and others	15)	4,824,628,385	*1,617,767,000*	5,982,984,808	*1,894,370,000*
Current financial liabilities for lease contracts	15)	231,238,416	*3,616,000*	467,242,905	*38,276,000*
Trade and miscellaneous payables and other current liabilities	23)	5,281,062,661	*465,360,000*	7,784,537,434	*875,597,000*
Current income tax payables	10)	—		—	
Total Current Liabilities	**(e)**	**10,336,929,462**		**14,234,765,147**	
Total Liabilities	**(f=d+e)**	**19,407,037,403**		**36,812,592,455**	
Total Equity and Liabilities	**(c+f)**	**31,509,535,884**		**49,968,836,243**	

SEPARATE INCOME STATEMENTS

(euros)	notes	Esercizio 2024	*of which with related parties*	Esercizio 2023	*of which with related parties*
Revenues	25)	**9,218,214,372**	*392,496,000*	**8,967,239,327**	*239,293,000*
Other income	26)	232,817,071	*36,975,000*	129,813,145	*26,000,000*
Total operating revenues and other income		**9,451,031,443**		**9,097,052,472**	
Acquisition of goods and services	27)	(6,134,825,583)	*(1,383,631,000)*	(5,329,743,409)	*(1,652,443,000)*
Employee benefits expenses	28)	(910,119,365)	*(52,048,000)*	(1,352,113,455)	*(48,833,000)*
Other operating expenses	29)	(233,725,052)	*(553,000)*	(367,105,055)	*(3,000)*
Change in inventories	30)	13,572,209		(12,000,517)	
Internally generated assets	31)	143,816,045		163,124,120	
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**2,329,749,697**		**2,199,214,156**	
of which: impact of non-recurring items	39)	*(97,120,000)*		*(632,989,000)*	
Depreciation and amortization	32)	(1,647,128,845)	*(4,918,000)*	(1,638,620,931)	*(4,400,000)*
Gains (losses) on disposals of non-current assets	33)	(6,233,727)		(16,525,562)	
Impairment reversals (losses) on non-current assets	34)	(14,225,059)		(156,927)	
Operating profit (loss) (EBIT)		**662,162,066**		**543,910,736**	
of which: impact of non-recurring items	39)	*(93,952,000)*		*(631,431,000)*	
Income/(expenses) from investments	35)	(270,757,383)	*13,156,000*	910,574,690	*1,084,826,000*
Finance income	36)	1,003,197,187	*485,849,000*	997,664,382	*528,784,000*
Finance expenses	36)	(1,939,951,919)	*(674,633,000)*	(2,066,101,233)	*(645,342,000)*
Profit (loss) before tax from continuing operations		**(545,350,049)**		**386,048,575**	
of which: impact of non-recurring items	39)	*(93,271,000)*		*(680,254,000)*	
Income tax expense	10)	(30,912,426)		46,161,185	
Profit (loss) from continuing operations		**(576,262,475)**		**432,209,760**	
Profit (loss) from Discontinued operations / Non current assets held for sale	13)	**(666,236,805)**	*232,909,000*	**(1,427,574,209)**	*497,025,000*
Profit (loss) for the year		**(1,242,499,280)**		**(995,364,449)**	
of which: impact of non-recurring items	39)	*37,983,000*		*(673,346,000)*	

STATEMENTS OF COMPREHENSIVE INCOME

Note 14

(euros)		Esercizio 2024	Year 2023
Profit (loss) for the year	(a)	(1,242,499,280)	**(995,364,448)**
Other components of the Statements of Comprehensive Income			
Other components that will not be reclassified subsequently to Separate Income Statements			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		8,918,899	2,505,980
Income tax effect		(114,361)	(40,455)
	(b)	**8,804,538**	**2,465,525**
Remeasurements of employee defined benefit plans (IAS 19):			
Actuarial gains (losses)		12,803,322	(7,531,530)
Income tax effect		—	—
	(c)	**12,803,322**	**(7,531,530)**
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 Income Statements	(e=b+c+d)	21,607,860	**(5,066,005)**
Other components that will be reclassified subsequently to Separate Income Statements			
Financial assets measured at fair value through other comprehensive income:			
Profit (loss) from fair value adjustments		1,494,641	3,763,077
Loss (profit) transferred to the Separate Income Statements		—	—
Income tax effect		(358,714)	(903,139)
	(f)	**1,135,927**	**2,859,938**
Hedging instruments:			
Profit (loss) from fair value adjustments		252,746,819	(237,337,146)
Loss (profit) transferred to the Separate Income Statements		(36,317,301)	100,158,258
Income tax effect		(51,943,084)	32,922,933
	(g)	**164,486,434**	**(104,255,955)**
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:			
Profit (loss)		—	—
Loss (profit) transferred to the Separate Income Statements		—	—
Income tax effect		—	—
	(h)	**—**	**—**
Total other components that will be reclassified subsequently to Separate Income Statements	(i= f+g+h)	165,622,361	**(101,396,017)**
Total other components of the Statements of Comprehensive Income	(k= e+i)	187,230,221	**(106,462,022)**
Total comprehensive income (loss) for the year	(a+k)	(1,055,269,059)	**(1,101,826,470)**

STATEMENTS OF CHANGES IN EQUITY

Changes in Equity from January 1 to December 31, 2023

(euros)	Share capital	Additional paid-in capital	Reserve for financial assets measured through fair value adjustment through other comprehensive income	Reserve for hedging instruments	Reserve for remeasurements of employee defined benefit plans (IAS 19)	Other reserves and retained earnings (accumulated losses), including profit (loss) for the year	**Total Equity**
Balance at December 31, 2022	**11,613,611,883**	**2,133,374,023**	**(1,972,047)**	**(222,921,018)**	**(65,428,740)**	**795,605,019**	**14,252,269,120**
Changes in equity during the year:							
Total comprehensive income (loss) for the year			5,325,463	(104,255,955)	(7,531,530)	(995,364,448)	**(1,101,826,470)**
Equity instruments						1,739,200	**1,739,200**
Other changes						40,463	**40,463**
Balance at December 31, 2023	11,619,560,360	575,673,347	3,353,416	(327,176,973)	(72,960,270)	1,357,793,908	**13,156,243,788**

Changes in Equity from January 1 to December 31, 2024 – Note 14

(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 remeasurements of employee defined benefit plans (IAS 19)	Other reserves and retained earnings (accumulated losses), including profit (loss) for the year	**Total Equity**
Balance at December 31, 2023	11,619,560,360	575,673,347	3,353,416	(327,176,973)	(72,960,270)	1,357,793,908	**13,156,243,788**
Changes in equity during the year:							
Coverage of prior year loss		(575,673,347)				575,673,347	**—**
Total comprehensive income (loss) for the year			9,940,466	164,486,434	12,803,322	(1,242,499,280)	**(1,055,269,059)**
Treasury shares servicing the Long Term Incentive Plan 2021-2023	4,712,746					12,490,072	**17,202,818**
Equity instruments						(15,723,049)	**(15,723,049)**
Other changes		—				43,982	**43,982**
Balance at December 31, 2024	**11,624,273,106**	**—**	**13,293,882**	**(162,690,539)**	**(60,156,948)**	**687,778,980**	**12,102,498,480**

STATEMENTS OF CASH FLOWS

(euros)	notes	Year 2024	Year 2023
Cash flows from operating activities:			
Profit (loss) for the year from continuing operations		(576,262,474)	432,209,760
Adjustments for:			
Depreciation and amortization	31)	1,647,128,846	1,638,620,931
Impairment losses (reversals) on non-current assets including investments		325,999,000	161,400,000
Net change in deferred tax assets and liabilities		32,271,000	89,919,000
Losses (gains) realized on disposals of non-current assets (including investments)		(19,423,000)	31,202,000
Change in employee benefits		(9,762,000)	(262,173,000)
Change in inventories		(12,204,000)	15,751,000
Change in trade receivables		219,345,000	11,634,000
Change in trade payables		(175,000)	59,991,000
Net change in income tax receivables/payables		(4,816,000)	(8,255,000)
Net change in miscellaneous receivables/payables and other assets/liabilities		(193,047,673)	161,070,752
Cash flows from (used in) operating activities	**(a)**	**1,409,053,699**	**2,331,370,443**
Cash flows from investing activities:			
Purchases of intangible, tangible and rights of use assets on a cash basis		(920,522,000)	(1,030,842,000)
Contributions for plants received		7,200,000	758,755,000
Acquisition of control of companies or other businesses, net of cash acquired		—	—
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of	7)	4,169,227,000	—
Acquisitions/disposals of other investments		(53,208,000)	(32,752,000)
Change in financial receivables and other financial assets (excluding hedging and non-hedging derivatives under financial assets)		2,503,908,000	(1,330,256,000)
Proceeds from sale/repayments of intangible, tangible, rights of use assets and other non-current assets		271,080,000	(534,000)
Other changes in non-current assets (tangible/intangible/rights of use/investments/securities)		2,000	1,000
Cash flows from (used in) investing activities	**(b)**	**5,977,687,000**	**(1,635,628,000)**
Cash flows from financing activities			
Change in current financial liabilities and other		(246,056,000)	464,680,000
Proceeds from non-current financial liabilities (including current portion)		2,000,004,000	3,110,063,000
Repayments of non-current financial liabilities (including current portion)		(7,944,895,000)	(3,733,528,000)
Changes in hedging and non-hedging derivatives		(84,757,000)	90,795,000
Share capital proceeds/reimbursements		—	—
Dividends paid (*)		(2,000)	(3,000)
Changes in ownership interests in subsidiaries		—	—
Cash flows from (used in) financing activities	**(c)**	**(6,275,706,000)**	**(67,993,000)**
Cash flows from (used in) discontinued operations/non-current assets held for sale	**(d)**	**(1,174,454,000)**	**(1,251,539,000)**
Aggregate cash flows	**(e=a+b+c+d)**	**(63,419,301)**	**(623,789,557)**
Net cash and cash equivalents at beginning of the year	**(f)**	**(264,769,020)**	**359,020,537**
Net cash and cash equivalents at end of the year	**(g=e+f)**	**(328,188,321)**	**(264,769,020)**
(*) of which from related parties		—	—

Purchase of intangible, tangible and rights of use assets

(euros)	notes	Year 2024	Year 2023
Purchase of intangible assets	4)	(511,081,000)	(546,212,000)
Purchase of tangible assets	5)	(475,767,000)	(526,572,000)
Purchase of right of use assets	6)	(248,169,000)	(117,285,000)
Total purchases of intangible, tangible and rights of use assets on an accrual basis (*)		**(1,235,017,000)**	**(1,190,069,000)**
Change in payables arising from purchase of intangible, tangible and rights of use assets		314,495,000	159,227,000
Total purchases of intangible, tangible and rights of use assets on a cash basis		**(920,522,000)**	**(1,030,842,000)**
(*) of which from related parties		(36,114,000)	(62,744,000)

Additional Cash Flow information

(euros)	Year 2024	Year 2023
Income taxes (paid) received	143,285,000	103,778,000
Interest expense paid	(1,597,025,000)	(1,674,150,000)
Interest income received	644,602,000	749,274,000
Dividends received	15,347,000	1,086,534,000

Analysis of Net Cash and Cash Equivalents

(euros)	Year 2024	Year 2023
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	598,149,745	1,375,042,603
Bank overdrafts repayable on demand	(862,918,765)	(1,016,022,066)
	(264,769,020)	**359,020,537**
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	819,532,528	598,149,745
Bank overdrafts repayable on demand	(1,147,720,849)	(862,918,765)
	(328,188,321)	**(264,769,020)**

The additional disclosures required by IAS 7 are provided in the Note “Net financial debt” to these Separate Financial Statements.

NOTE 1

FORM, CONTENT AND OTHER GENERAL INFORMATION

Form and content

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

The registered offices of TIM S.p.A. 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.

TIM S.p.A. operates in Italy in the fixed and mobile telecommunications sector.

The TIM S.p.A. separate financial statements at December 31, 2024 have been prepared on a going concern basis (further details are provided in the Note "Accounting Policies") and in accordance with 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 2024, TIM S.p.A. 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, 2024. See the Note "Accounting Policies" for more details.

The separate 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 or 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).

It should also be noted that the economic results ofTIM's fixed network assets (primary network and *wholesale* business), the sale of which was finalized on July 1, 2024, are classified under IFRS 5 as Available-for-sale Assets, as all the conditions, including obtaining authorizations, necessary for the completion of the sale have been met.

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 classification of TIM's fixed network (primary network and wholesale business) as an Available-for-sale Asset has led to a reclassification of the corresponding figures for 2023 in the separate income statement and in the cash flow statement, as required by IFRS 5. 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.

Finally, it should be noted that the effects arising from the sale of the primary network and *wholesale* business are shown separately in the 2024 changes in balance sheet items ("*Discontinued Operations*"). For further details regarding the aforementioned divestment transaction, please refer to what is described in Note 13 "Discontinued operations/non-current assets held for sale."

The statements of financial position, the separate income statements, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows are presented in euros (without cents) and the notes to these separate financial statements in millions of euros, unless otherwise indicated.

The publication of TIM S.p.A.'s separate financial statements for the year ended December 31, 2024 was approved by resolution of the Board of Directors on March 5, 2025.

However, final approval of the TIM S.p.A. separate financial statements rests with the shareholders' meeting.

Financial statement formats

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

- the **statements of financial position** have been prepared by classifying assets and liabilities according to the "current and non-current" criterion;
- the **separate 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 Company, conforms to internal reporting and is in line with industry practice.
  In addition to EBIT or Operating profit (loss), the separate 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). It represents a useful unit of measurement for the evaluation of the operating performance of TIM S.p.A. EBIT and EBITDA are calculated as follows:

Profit (loss) before tax from continuing operations	
+	Finance expenses
-	Finance income
+/-	Income (Expenses) from investments
EBIT – Operating profit (loss)	
+/-	Impairment losses (reversals) of non-current assets
+/-	c) 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	

- the **statements of comprehensive income** include the profit or loss for the year as shown in the separate income statements and all other non-owner changes in equity;
- the **statement of cash flows** has 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 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 impact has 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 financial statements.

NOTE 2
ACCOUNTING POLICIES

Going concern

The Separate Consolidated Financial Statements 2024 have been prepared on a going concern basis, as there is the reasonable expectation that TIM S.p.A. 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 TIM is 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);
  - macroeconomic changes in the Italian, European and Brazilian markets and 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”;
- the policy for financial risk management (market risk, credit risk and liquidity risk), as described in the Note "Financial risk management".

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

Intangible assets

Goodwill

In accordance with IFRS 3 (Business Combinations), goodwill is recognized in the financial statements at the acquisition date (including through mergers or contributions) of companies or business units and is calculated as the difference between the consideration paid (measured in accordance with IFRS 3, generally determined on the basis of the fair value at the acquisition date) and the fair value at the acquisition date of the identifiable assets acquired net of the identifiable liabilities assumed.

Goodwill is classified in the statements of financial position as an intangible asset with an indefinite useful life, whereas any gain from a bargain purchase or negative goodwill is recognized in the separate income statement.

Goodwill initially recognized is subsequently reduced only by cumulative impairment losses (for more details, see the section "Impairment of intangible assets, tangible assets and rights of use assets - Goodwill", below).

Development costs

Costs incurred internally for the development of new products and services represent either intangible assets (mainly costs for software development) or tangible assets. These costs are capitalized only when all the following conditions are satisfied: i) the cost attributable to the development phase of the asset can be measured reliably, ii) there is the intention, the availability of financial resources and the technical ability to complete the asset and make it available for use or sale, and iii) it can be demonstrated that the asset will be able to generate future economic benefits. Capitalized development costs comprise only incurred expenditures that can be attributed directly to the development process for new products and services.

Capitalized development costs are depreciated/amortized systematically over the estimated product or service life, so that the depreciation/amortization method reflects the way in which the asset's future economic benefits are expected to be consumed by the entity.

Other intangible assets with a finite useful life

Other purchased or internally-generated intangible assets with a finite useful life are recognized as assets, in accordance with IAS 38 (Intangible Assets), when the use of the asset is likely to generate future economic benefits and when the cost of the asset can be reliably measured.
Such assets are recorded at purchase or production cost and amortized on a straight-line basis over their estimated useful lives; the amortization rates are reviewed annually and revised if the current estimated useful life is different from that estimated previously. The effect of such changes is recognized in the separate income statements prospectively.

Tangible assets

Property, plant and equipment

Property, plant and equipment are recognized at purchase or production cost. Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in the related item of property, plant and equipment. All other expenditures are expensed as incurred.
The cost of these assets also includes the expected costs of dismantling the asset and restoring the site, if a legal or constructive obligation exists. The corresponding liability is recognized at its present value as a provision in the statement of financial position. These capitalized costs are depreciated and charged to the separate income statements over the useful life of the related tangible assets.
The calculation of estimates for dismantling costs, discount rates and the dates in which such costs are expected to be incurred is reviewed annually at each financial year-end. Changes in the above liability must be recognized as an increase or decrease of the cost of the related asset; the amount deducted from the cost of the asset must not exceed its carrying amount. The excess if any, should be recorded immediately in the separate income statements, conventionally under the line item "Depreciation and Amortization".
Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Depreciation rates are reviewed annually and revised if the current estimated useful life is different from that estimated previously. The effect of such changes is recognized in the separate income statements prospectively.
Land, including land pertaining to buildings, is not depreciated.

Rights of use assets

In accordance with IFRS 16, lease liabilities are presented through the recognition of a financial liability in the statement of financial position consisting in the present value of future lease payments, against the recognition of the right of use of the leased asset.
On the commencement date of the lease, the right of use is recognized at cost including: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, initial direct costs incurred for the signature of the lease and the present value of the estimated restoration and dismantling costs set out in the lease, less any incentives.
Subsequently, the right of use is amortized over the term of the lease (or the useful life of the asset, if lower), subject to impairment and adjusted for any remeasurement of the lease liability.
The TIM Group attracts, under the scope of application of IFRS 16, if the criteria and the requirements laid down by the standard are met, the contract types concerning cloud software resources and the spectrum of transmission frequencies on optic fiber carriers. This approach is functional to the very innovative specificity of these types of contract, concerning hardware infrastructure and optical transmission as well as technologically-advanced software services.

Impairment of intangible, tangible and rights of use assets

Goodwill

Goodwill is tested for impairment at least annually or more frequently whenever events or changes in circumstances indicate that goodwill may be impaired, as set forth in IAS 36 (Impairment of Assets); however, when the conditions that gave rise to an impairment loss no longer exist, the original amount of goodwill is not reinstated.

The test is generally conducted at the end of every year, so the date of testing is the year-end closing date of the financial statements. Goodwill acquired and allocated during the year is tested for impairment at the end of the year in which the acquisition and allocation took place.

For the purpose of verifying its recoverability, goodwill is allocated, from the acquisition date, to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the acquisition.

If the carrying amount of the cash-generating unit (or group of cash-generating units) exceeds the recoverable amount, an impairment loss is recognized in the separate income statement. The impairment loss is first recognized as a deduction of the carrying amount of goodwill allocated to the cash-generating unit (or group of cash-generating units) and only subsequently applied to the other assets of the cash-generating unit in proportion to their carrying amount, up to the recoverable amount of the assets with a finite useful life. The recoverable amount of a cash-generating unit (or group of cash-generating units) to which goodwill is allocated is the higher between the fair value less costs to sell and its value in use.

The fair value net of disposal costs is estimated on the basis of the income approach, insofar as this allows for the reflection of the benefits deriving from a new, different business structure in the future. In particular, the fair value net of disposal costs is based on the current value of the forecast cash flow, applying a discounting rate that reflects current market assessments of the time value of money and the risks specific to the asset. The future cash flows are those arising from an explicit time horizon between three and five years, as well as those extrapolated to estimate the terminal value.

In calculating the value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The future cash flows are those arising from an explicit time horizon between three and five years, as well as those extrapolated to estimate the terminal value. The long-term growth rate used to estimate the terminal value of the cash-generating unit (or group of cash-generating units) is assumed not to be higher than the average long-term growth rate of the segment or market in which the cash-generating unit (or group of cash-generating units) operates.

Future cash flows are estimated by referring to the current operating conditions of the cash-generating unit (or group of cash-generating units) and, therefore, do not include either benefits originating from future restructuring for which the entity is not yet committed, or future investments for the improvement or optimization of the cash-generating unit.

For the purpose of calculating impairment, the carrying amount of the cash-generating unit is established based on the same criteria used to determine the recoverable amount of the cash-generating unit, excluding surplus assets (that is, financial assets, deferred tax assets and net non-current assets held for sale).

After conducting the goodwill impairment test for the cash-generating unit (or groups of cash-generating units), a second level of impairment testing is carried out which includes the corporate assets which do not generate positive cash flows and which cannot be allocated by a reasonable and consistent criterion to the single units. At this second level, the total recoverable amount of all cash-generating units (or groups of cash-generating units) is compared to the carrying amount of all cash-generating units (or groups of cash-generating units), including also those cash-generating units to which no goodwill was allocated, and the corporate assets.

Tangible and intangible assets with finite useful lives and rights of use assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset – whether tangible or intangible with finite useful lives or a right of use – may be impaired. Both internal and external sources of information are used for this purpose. Internal sources include: obsolescence or physical deterioration, and significant changes in the use of the asset and the operating performance of the asset compared to estimated performance. External sources include: External sources include the market value of the asset, changes in technology, markets or laws, trend in market interest rates and the cost of capital used to evaluate investments, and an excess of the carrying amount of the net assets of the Company over market capitalization.
If there is any indication that an asset – whether tangible or intangible with finite useful lives or a right of use – has been impaired, then its carrying amount is reduced to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. In calculating the value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or right. Where it is not possible to estimate the recoverable amount, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment losses are recognized in the separate income statement.
When the reasons for the impairment subsequently cease to exist, the carrying value of the asset/ right of use or of the cash generating unit is increased up to the new estimate of the recoverable amount which, however, cannot exceed the amount that would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized as income in the separate income statements.

Financial instruments

Business models for financial assets management

For the management of trade receivables, the Company's Management has identified different business models based on the specific nature of the receivables, the type of counterparty and collection times. This was in order to optimize the management of working capital through the constant monitoring of the payment performance of customers, the steering of credit collection policies, and the management of programs for the disposal of receivables,
and the activation of factoring consistent with financial planning requirements.
The business models adopted are:

- *Hold to Collect*: receivables usually held to maturity, such as trade receivables due from large customers and the OLOs; these instruments fall within IFRS 9 category "Assets measured at amortized cost". These receivables can be transferred, albeit not recurrently, if this is needed to optimize finances;
- *Hold to Collect and Sell*: receivables usually traded massively and on a recurring basis, such as receivables due from active consumer, small and business customers held for sale; these instruments fall under IFRS 9 category "Financial assets measured at fair value through other comprehensive income". As required by IFRS 9, the related reserve is reversed to the separate income statements when disposed of or impaired.

As part of managing financial assets other than trade receivables, Company Management has identified its business models on the basis of how the financial instruments are managed and how their cash flows are used. This is done to ensure an adequate level of financial flexibility and to best manage, in terms of risks and returns, the financial resources immediately available and in accordance with the strategies.
The Business Models adopted are the following:

- *Hold to Collect*: financial instruments used to absorb temporary cash surpluses; such instruments are low risk and mostly held to maturity; they are measured at amortized cost;
- *Hold to Collect and Sell*: monetary or debt instruments used to absorb short/medium-term cash surpluses; such instruments are low risk and generally held to maturity, or otherwise sold to cover specific cash requirements; they are measured at fair value through other comprehensive income;
- *Hold to Sell*: monetary, debt and equity trading instruments used to dynamically manage cash surpluses not managed under the business models identified above; such instruments are higher risk and traded repeatedly over time; they are measured at fair value through profit or loss.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are measured at cost adjusted by impairment losses. When there is objective evidence of an impairment, recoverability is verified by comparing the carrying amount of the investment against its recoverable amount consisting of the greater of fair value, net of disposal costs, and value in use.

Other investments

Other investments (other than those in subsidiaries, associates and joint ventures) are classified as non-current or current assets if they will be kept in the Company's portfolio for a period of more or not more than 12 months, respectively.

Other investments are classified as "financial assets measured at fair value through profit or loss" (FVTPL), as current assets.

At the purchase time of each investment, IFRS 9 provides for the irrevocable option to recognize these investments in "financial assets measured at fair value through other comprehensive income" (FVTOCI) as non-current or current assets.

The other investments classified as "financial assets measured at fair value through other comprehensive income" are measured at fair value; changes in the fair value of these investments are recognized in a special equity reserve under the other components of the statements of comprehensive income (Reserve for financial assets measured at fair value through other comprehensive income), without reclassification to the separate income statements when the financial asset is disposed of or impaired. Dividends, on the other hand, are recognized in the separate income statements.
Changes in the value of other investments classified as "financial assets at fair value through separate profit or loss" are recognized directly in the separate income statements.

Securities other than investments

Securities other than investments, included among non-current or current assets, depending on the business model adopted and the contractual flows envisaged, fall among financial assets measured at amortized cost, or measured at fair value through other comprehensive income or at fair value though profit or loss.
Securities other than investments, classified as current assets, are those that, by decision of the directors, are intended to be kept in TIM S.p.A.'s portfolio for a period of not more than 12 months, and are included:

- as "financial assets measured at amortized cost" (AC) when held to maturity (originally more than 3 months but less than 12 months, or, although they had an original maturity of more than 12 months, they have been bought in a period during which maturity was included between 3 and 12 months);
- as "financial assets measured at fair value through other comprehensive income" (FVTOCI) when held in the scope of a business model whose objective is to sell the financial asset and/or collect the contractual flows. The "Reserve for financial assets measured at fair value through other comprehensive income" is reversed to the separate income statements when the financial asset is disposed of or impaired;
- as "financial assets measured at fair value through profit or loss" (FVTPL) in the other cases.

Cash and cash equivalents

Cash and cash equivalents are recorded, according to their nature, at nominal value or amortized cost.
Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of change in value and their original maturity or the remaining maturity at the date of purchase does not exceed 3 months.

Impairment of financial assets

At every closing date, assessments are made as to whether there is any objective evidence that a financial asset or a group of financial assets has been impaired.
The impairment of financial assets is based on the expected credit loss model.

Specifically:

- Impairment on trade receivables and on contract assets is carried out using the simplified approach that involves estimating the loss expected over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions;
- the impairment of financial assets other than trade receivables is calculated on the basis of a general model which estimates expected credit losses over the following 12 months or over the residual life of the asset in the event of a substantial worsening of its credit risk.

Derivatives

As allowed by IFRS 9, the Company decided to continue to apply the hedge accounting provisions contained in IAS 39 instead of those of IFRS 9.
Derivatives are used by the Company to manage its exposure to exchange rate and interest rate risks and to diversify the parameters of debt so that costs and volatility can be reduced to within pre-established operational limits.
In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when:

- at the inception of the hedge, the hedging relationship is formally designated and documented;
- the hedge is expected to be highly effective;
- its effectiveness can be reliably measured;
- the hedge is highly effective throughout the financial reporting periods for which it is designated.

All derivative financial instruments are measured at fair value in accordance with IAS 39.
When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of an asset or liability due to a particular risk, the profit or loss from re-measuring the hedging instrument at fair value is recognized in the separate income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the separate income statement.
- Cash flow hedge – Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of an asset or liability or a highly probable expected transaction, the effective portion of any gain or loss arising from the fair value adjustment of the derivative financial instrument is recognized directly in a specific equity reserve (Reserve for hedging instruments). The cumulative gain or loss is removed from equity and recognized in the separate income statements at the same time the hedged transaction affects the separate income statement. The gain or loss associated with the ineffective portion of a hedge is recognized in the separate income statements immediately. If the hedged transaction is no longer probable, the cumulative gains or losses included in the equity reserve are immediately recognized in the separate income statement.

For derivatives for which a hedging relationship has not been designated, changes in value compared to initial recognition are recognized directly in the separate income statement.

Financial liabilities

Financial liabilities include financial payables, including payables for advances on assignments of receivables where the assignment does not transfer substantially all the risks and rewards, as well as other financial liabilities, including derivative financial instruments and liabilities in respect of assets recognized under finance leases recognized in accordance with IFRS 16.
In accordance with IFRS 9, they also include trade and other payables.

Trade payables also include supplier financing agreements. For more details about these agreements, please refer to the Note "Trade and miscellaneous payables and other current liabilities."

Financial liabilities other than derivatives are initially recognized at fair value; and subsequently measured at amortized cost.

Financial liabilities hedged by derivative instruments designed to manage exposure to changes in fair value of the liabilities (fair value hedge derivatives) are measured at fair value in accordance with the hedge accounting principles of IAS 39: Gains and losses arising from re-measurement at fair value, to the extent of the hedged component, are recognized in the separate income statements and are offset by the effective portion of the gain or loss arising from re-measurement at fair value of the hedging instrument.

Financial liabilities hedged by derivative instruments designed to manage exposure to variability in cash flows (cash flow hedge derivatives) are measured at amortized cost in accordance with the hedge accounting principles of IAS 39.

Transfer of receivables

TIM S.p.A. carries out sales of receivables under factoring and securitization contracts. These transfers, in the majority of cases, are characterized by the transfer of substantially all the risks and rewards of ownership of the receivables to third parties, therefore meeting the requirements of IFRS 9 for derecognition. Special service agreements, under which the purchasers grant TIM S.p.A. a mandate to oversee the collection and management of receivables, have been entered into to maintain the relationship between the Company and its customers.

Inventories

Inventories are measured at the lower of purchase and production cost and estimated realizable value; the cost is determined using the weighted average cost formula for each movement, while the estimated realizable value is determined by observing general prices at the end of the year. Provision is made for obsolete and slow-moving inventories based on their expected future use and estimated realizable value.

Non-current assets held for sale/Discontinued operations

Non-current assets held for sale or disposal groups whose carrying amount will mainly be recovered through sale, rather than through ongoing use, are classified as held for sale and shown separately from other assets and liabilities in the separate statements of financial position. The corresponding amounts for the previous year are not reclassified in the statement of financial position but are instead shown separately in a specific column in the changes in assets and liabilities in the year in which the non-current assets held for sale or the disposal groups are classified as such.
Discontinued operations are a component of an entity that has been terminated or classified as held for sale and that:

- represents a major business line or geographical area of operation; or
- is part of a single coordinated plan to discontinue a separate major line of business or geographical area of operation; or
- is a subsidiary acquired exclusively with a view to resale.

The results arising from Discontinued Operations – whether disposed of or classified as held for sale – are shown separately in the separate income statement, net of tax effects. The corresponding values for the previous periods, where present, are reclassified and reported separately in the separate income statement, net of tax effects, for comparative purposes.
Non-current assets held for sale or discontinued groups classified as held for sale are first recognized in compliance with the appropriate IFRS applicable to each specific asset and liability, and subsequently measured at the lower of the carrying amount and fair value, less cost to sell.
Any subsequent impairment losses are recognized as a direct adjustment to the non-current assets or disposal groups classified as held for sale and expensed in the separate income statement.
An upward revision of value is, instead, recognized for each subsequent increase in the fair value of an asset less cost to sell, but not in excess of the previously recognized cumulative impairment loss.
As required by IFRS 5 (Non-current assets held for sale and discontinued operations), an entity shall not depreciate (or amortize) non-current assets classified as held for sale or being part of a discontinued group.
Finance expenses and other expenses attributable to the liabilities of a discontinued group classified as held for sale must continue to be recognized.

Employee benefits

Provision for employee severance indemnity

Employee severance indemnities, mandatory pursuant to Article 2120 of the Italian Civil Code, is deferred compensation and is based on the employees' years of service and the compensation earned by the employee during the service period.
Under IAS 19 (Employee Benefits), the employee severance indemnity, so calculated, is considered a "Defined benefit plan" and the related liability to be recognized in the statement of financial position (Provision for employee severance indemnities) is determined by actuarial calculations.
The remeasurements of actuarial gains and losses are recognized in other components of the Statements of Comprehensive Income. By contrast, the interest expenses related to the "time value" component of the actuarial calculations are recognized in the separate income statements under financial expenses.
Starting from January 1, 2007, the Italian Law gave employees the choice to either allocate their accruing indemnity to supplementary pension funds or it as an obligation of the Company. Companies that employ at least 50 employees must transfer the employee severance indemnity to the "Treasury fund" managed by INPS, the Italian Social Security Institute. Consequently, the Group's obligation to INPS and the contributions to supplementary pension funds take the form, under IAS 19, of "Defined contribution plans".

Equity compensation plans

TIM S.p.A. provides additional benefits to certain managers of the Group companies through equity compensation plans (for example: stock options and long-term incentive plans). The above plans are recognized in accordance with IFRS 2 (Share-Based Payment).
In accordance with IFRS 2, such plans represent a component of the beneficiaries' compensation. Therefore, for the plans that provide for compensation in equity instruments, the cost is represented by the fair value of such instruments at the grant date, and is recognized in "Employee benefits expenses", for employees of the Company, and in "Investments", for employees of subsidiaries, over the period between the grant date and

vesting date with a contra-entry to an equity reserve denominated "Other equity instruments". Changes in the fair value subsequent to the grant date do not affect the initial measurement. At the end of each year, adjustments are made to the estimate of the number of rights that will vest up to maturity. An adjustment is made to "Other equity instruments" for the impact of the change in estimate with contra-entry to "Employee benefits expenses" or "Investments".
For the portion of the plans that provide for the payment of compensation in cash, the amount is recognized in liabilities as a contra-entry to "Employee benefits expenses" for employees of the Company, and in "Investments", for employees of subsidiaries; at the end of each year such liability is measured at fair value.

Provisions

The Company records provisions for risks and charges when it has a present obligation, legal or constructive, to a third party, as a result of a past event, when it is probable that an outflow of resources will be required to satisfy the obligation and when the amount of the obligation can be estimated reliably. Provisions for risks and charges also include those established in the event that the company should stipulate contracts that thereafter became onerous, the non-discretionary costs of which necessary to fulfill the commitments made exceeding the economic benefits expected from such contracts.
If the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, provisions to be accrued are the present value of the expected cash flows, taking into account the risks associated with the obligation. The increase in the provision due to the passage of time is recognized as "Finance expenses".

Government grants

Government grants are recognized when there is a reasonable certainty that they will be received and that the Company will satisfy all the conditions established for their granting by the government, government entities and equivalent local, national or international entities.
Government grants are recognized in the separate income statement, on a straight-line basis, over the periods in which the Company recognizes the expenses that the grants are intended to offset as costs.
Government grants related to assets received for the acquisition and/or construction of non-current tangible assets are recorded as deferred income in the statement of financial position and systematically credited to the separate income statements over the useful life of the systems the grants relate to.

Treasury shares

Treasury shares are recognized as a deduction from equity. In particular, the treasury shares are reported as a deduction from the share capital issued in the amount corresponding to the "accounting par value", that is the ratio of total share capital and the number of issued shares, while the excess cost of acquisition over the accounting par value is presented as a deduction from "Other reserves and retained earnings (accumulated losses), including profit (loss) for the year".

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the statement of financial position date. Exchange differences arising from the settlement of monetary items or from their conversion at rates different from those at which they were initially recorded during the year or at the end of the prior year, are recognized in the separate income statements.

Revenues

Revenues are the gross inflows of economic benefits during the period arising in the course of the ordinary activities of an entity. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenues.

The process underlying the recognition of revenues follows the steps set out in IFRS 15:

- **identification of the contract**: takes place when the parties approve the contract (with commercial substance), and identify the respective rights and obligations: in other terms, the contract must be legally binding, the rights to receive goods and/or services and the terms of payment can be clearly identified and the Company considers receipt of payment as probable;
- **identification of the performance obligations**: the main performance obligations identified, i.e. promises to transfer goods and services that are distinct, are services rendered (including voice and data traffic and ICT solutions) to retail customers, services rendered to wholesale customers, and sale of products;
- **determination of the transaction price**: is the total amount contracted with the other party regarding the entire contractual term. The Company has determined that the contractual term is the one arising from the contractual obligations between the parties or, in lack of these obligations, it is by convention one month;
- **allocation of the transaction price to the performance obligations**: the allocation is made proportionately to the respective stand-alone selling prices calculated based on the list prices (if present) or estimated by applying an appropriate margin to the cost of purchase/production of the good/service.

  Revenues from activating the connectivity service are not a performance obligation; they are therefore allocated to the contractual performance obligations (typically to services).

For offerings which include the sale of devices and service contracts (bundle offerings), the Company allocates the contractual transaction price to the performance obligations of the contract, proportionately to the stand-alone selling prices of the single performance obligations;

- **recognition of revenues**: revenues are stated net of discounts, allowances, and returns in connection with the characteristics of the type of revenue:

  - **Revenues from services rendered**

    Revenues from services rendered are recognized in the separate income statements according to the stage of completion of the service, that is based on actual consumption.
    Traffic revenues from interconnection and roaming are reported gross of the amounts due to other TLC operators.
    Revenues for delivering information or other content are recognized on the basis of the amount invoiced to the customer, when the service is rendered directly by the Company. In the event that the Company is acting as agent (for example non-geographic numbers) only the commission received from the content provider is recognized as revenue.
    Revenues from prepaid traffic are recorded on the basis of effective consumption. Deferred revenues for traffic already collected but not yet consumed are recorded in "Trade and miscellaneous payables and other current liabilities" in the statements of financial position.
    Revenues for services rendered are generally invoiced and collected bimonthly/monthly for retail customers while for wholesale customers, they are invoiced on a monthly basis and due 40 or 60 days after the date of issue, depending on whether they relate to the mobile component (40 days) or fixed component (60 days).

  - **Revenues from sales**

    Revenues from sales (telephone products and others) are recognized upon delivery when control of the assets is transferred to the customers.
    The devices sold separately from the services are invoiced at the time of delivery; collection takes place on demand or based on installment plans (up to 48 monthly installments). The devices sold as part of bundle offerings are invoiced at the time of delivery and usually collected in 24, 30 or 48 monthly installments, depending on the type of offer and customer cluster. With specific reference to the mobile products (smartphones and tables) and certain types of fixed-line products sold to consumer customers, collection is made at the time of sale through the financial company TIMFin, which disburses the loan to the customer.

The recognition of revenues can generate the recognition of an asset or liability deriving from contracts. In particular:

- **Contract assets** are the right to a consideration in exchange for goods or services that have been transferred to the customer, when the right is conditioned on something other than the passage of time;
- **Liabilities deriving from a contract** are the obligation to transfer goods or services to the customer for which the Company has received (or for which it is due) a consideration from the customer.

Contract costs (incremental costs of obtaining a contract and costs to fulfill a contract; mainly technical activation costs and costs for sales network commissions) are deferred and recognized through separate profit or loss depending on the expected term of the contractual relationship with the customers. TIM avails itself of the practical expedient, provided for by IFRS 15, to recognize the incremental costs for obtaining the contract entirely in the income statement, provided the amortization period does not exceed 12 months.

The recoverability of contract assets and deferred costs is periodically assessed.

Research and advertising costs

Research costs and advertising expenses are charged directly to the separate income statements in the year in which they are incurred.

Finance income and expenses

Finance income and expenses are recognized on an accrual basis and include: interest accrued on the related financial assets and liabilities using the effective interest rate method; changes in the fair value of derivatives and other financial instruments measured at fair value through the income statement; gains and losses on foreign exchange and financial instruments (including derivatives).

Dividends

Dividends received are recognized in the separate income statements in the year in which they become receivable following the resolution by the shareholders' meeting for the distribution of dividends of the investee companies.

Dividends payable are reported as a change in equity in the year in which they are approved by the shareholders' meeting.

Income tax expense (current and deferred)

Income tax expense includes all taxes calculated on the basis of the taxable income of the Company.

Current and deferred income tax expense is calculated using all the elements and information available at the reporting date, taking into account current laws and considering all the elements that could give rise to uncertainties in the determination of the amounts due to the tax authorities, as provided for in IFRIC 23.

Income tax expense is recognized in the separate income statement, except to the extent that they relate to items directly charged or credited to equity; in which case the related tax effect is recognized in the relevant equity reserves. In the Statements of comprehensive income the amount of income tax expense relating to each item included as "Other components of the Statements of comprehensive income" is indicated.

Deferred tax liabilities/assets are recognized using the "Balance sheet liability method". They are calculated on all temporary differences that arise between the tax base of an asset or liability and the relevant carrying amounts in the separate financial statements. Deferred tax assets relating to unused tax loss carryforwards are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Tax assets and liabilities are offset when there is a legally enforceable right of offset. Prepaid tax assets and deferred tax liabilities are determined by adopting the tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The other taxes not related to income are included in "Other operating expenses".

Use of accounting estimates

The preparation of separate financial statements and related notes in conformity with IFRS requires management to make estimates and assumptions based also on subjective judgments, past experience and assumptions considered reasonable and realistic in relation to the information known at the time of the estimate. Such estimates have an effect on the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as on the amount of revenues and costs during the year. Actual results could differ, even significantly, from those estimates owing to possible changes in the factors considered in the determination of such estimates. Estimates are reviewed periodically.

The most significant accounting estimates that involve a high level of subjective assumptions and judgments by directors are set out below.

Financial statements area	Accounting estimates
Goodwill impairment	The impairment test on goodwill is carried out by comparing the carrying amount of cash-generating units and their recoverable amount. The recoverable amount of a cash-generating unit is the higher of fair value, less costs to sell, and its value in use. This complex valuation process entails the use of methods such as the discounted cash flow method, which uses assumptions to estimate cash flows. The fair value net of disposal costs is based on the current value of forecast cash flow, calculated using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, as well as the expected future cash flows and the growth rate used for the extrapolation. The estimate of expected cash flows took into account the risks arising from climate change (as explained in the section 'Main Risks and Uncertainties - Risks Related to Key Sustainability Issues' in the Report on Operations), which at present do not have a significant impact on the business model. The key assumptions used to determine the recoverable amount for the different cash-generating units, including a sensitivity analysis, are detailed in the Note "Goodwill".
Impairment of tangible and intangible assets with finite useful lives and right of use assets	At the end of each reporting period, the company assesses whether there is any indication that an asset – whether tangible or intangible with finite useful lives or a right of use – may be impaired. Both internal and external sources of information are used for this purpose. Identifying the impairment indicators, estimating future cash flows and calculating the fair value of each asset requires the Management to make significant estimates and assumptions in calculating the discount rate to be used, and the useful life and residual value of the assets. The estimate of expected cash flows took into account the risks arising from climate change (as explained in the section 'Main Risks and Uncertainties - Risks Related to Key Sustainability Issues' in the Report on Operations), which at present do not have a significant impact on the business model. These estimates can have a significant impact on the fair value of the assets and on the amount of any impairment write-down.
Lease liabilities and rights of use assets	The value of lease liabilities and corresponding rights of use is determined by calculating the present value of the lease payments, also bearing in mind whether the renewal of the lease is reasonably certain.
Capitalization/deferment of costs	The capitalization/deferment of internal and external costs is a process that entails elements of estimation and valuation. Specifically, it involves the valuation of: i) the likelihood that capitalized costs will be recovered through correlated future revenues; and ii) the effective increase in the future economic benefits embodied in the related asset.
Provision for bad debts	Impairment on trade receivables and on contract assets is carried out using the simplified approach that involves estimating the loss expected over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions.

Depreciation and amortization	Changes in the economic conditions of the markets, technology and competitive forces could significantly affect the estimated useful lives of tangible and intangible non-current assets and may lead to a difference in the timing, and thus on the amount of depreciation and amortization expense.
Provisions, contingent liabilities and employee benefits	As regards the provisions for restoration costs, the estimate of future costs to dismantle tangible assets and restore the site is a complex process that requires the valuation of the liabilities arising from such dismantling and restoration obligations, which seldom are entirely defined by laws, administrative regulations or contract clauses, and which normally are to be complied with after an interval of several years. The provisions related to legal, arbitration and fiscal disputes, as well as regulatory proceedings, are the result of a complex estimation process based upon the probability of an unfavorable outcome. Provisions for employee benefits, especially the provision for employee severance indemnities, are calculated using actuarial assumptions; changes in such assumptions could have a material impact on such liabilities. Provisions made for contractual risks are also related to any contracts that may have become onerous and are based on an articulated estimation process that envisages the valuation of the comprehensive negative margins of the entire contract; they therefore include the non-discretionary costs necessary to fulfill the commitments made that exceed the economic benefits expected from such contracts.
Revenues	The recognition of revenues is influenced by estimates of the amount of discounts, rebates and returns to be reported as a direct adjustment to revenues, as well as the methods for defining individual product or service stand-alone selling prices and for determining the duration of the contract when there are renewal options.
Contract costs (IFRS 15)	The recognition of the costs of obtaining and fulfilling contracts is influenced by the estimated expected duration of the relationship with the customer, calculated on the basis of the historical turnover indexes and future estimates. However, this estimate is subject to fluctuations and could only represent customers' future behavior in a limited way, especially if there are new commercial offers or changes in the competitive environment.
Income tax expense (current and deferred)	Income tax expense (current and deferred) are calculated according to a prudent interpretation of the tax laws in effect. This process sometimes involves complex estimates to determine taxable income and deductible and taxable temporary differences between the carrying amounts and the taxable amounts. In particular, deferred tax assets are recognized to the extent that future taxable income will be available against which they can be recovered. The measurement of the recoverability of deferred tax assets, recognized based on both unused tax loss carry-forwards to future years and deductible temporary differences, takes into account the estimate of future taxable income and is based on conservative tax planning.
Derivative instruments and equity instruments	The fair value of derivative instruments and equity instruments is determined both using valuation models which also take into account subjective measurements such as, for example, cash flow estimates, expected volatility of prices, etc., and on the basis of prices existing in regulated markets or quotations provided by financial counterparties. For further details refer to the Note "Supplementary disclosures on financial instruments".

As required by IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), paragraph 10, in the absence of a Standard or an Interpretation that specifically applies to a particular transaction, Management, through careful subjective evaluation techniques, chooses the accounting methods to adopt with a view to providing financial statements which faithfully represent the financial position, the results of operations and the cash flows of the Company, which reflect the economic substance of the transactions, which are neutral, prepared on a prudent basis and complete in all material respects.

New standards and interpretations endorsed by the EU and in force from January 1, 2024

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, 2024.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

On November 20, 2023, Regulation (EU) No. 2023/2579 was issued, implementing limited amendments to IFRS 16 to clarify that, in a sale and leaseback translation, the seller/lessee must measure only the amount in profit or loss resulting from the rights transferred to the purchase/lessor. The initial measurement of the lease liabilities arising from a sale and leaseback transaction depends on how the seller-lessee measures the right-of-use asset and the gain or loss recognized at the transaction date.

Prior to these amendments, IFRS 16 did not contain specific measurements/requirements in relation to lease liabilities that may contain variable payments arising from a sale and leaseback transaction. The amendments require that, when subsequently measuring lease liabilities in a sale and leaseback transaction, the lessee-seller should determine "lease payments" or "modified lease payments" so as not to recognize any gain or loss that relates to the right-of-use retained by the seller-lessee.

The adoption of these amendments had no effect on the separate financial statements at December 31, 2024.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

On December 19, 2023, Regulation (EU) No. 2023/2822 was issued, implementing certain limited amendments to IAS 1 clarifying that liabilities are classified as current or non-current depending on the rights existing at the end of the year. The amendment clarifies that:

a. the classification of liabilities as current or non-current must be based on rights existing at the end of the year. In all relevant paragraphs, the wording is aligned to refer to the "right" to defer payment for at least 12 months, with it made explicit that only rights that are in existence "at the end of the reporting period" should affect the classification of a liability. In other words, liabilities are classified as non-current if the entity has a substantial right to defer payment for at least 12 months at the end of the year;

b. the classification is unaffected by expectations as to whether or not an entity will exercise its right to defer payment of a liability; in other words, management's expectations do not affect the classification; and

c. settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The adoption of these amendments had no effect on the separate financial statements at December 31, 2024.

Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants

The same Regulation (EU) 2023/2822, issued on December 19, 2023, implemented other limited amendments to IAS 1, clarifying that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.

In other words, these amendments provided that, at the reporting date, entities must not consider covenants that are to be complied with in future for the purposes of classifying debt as current or non-current. Instead, the entity must disclose these covenants in the notes to the financial statements.

With these changes, the IASB aims to help investors understand the risk of liabilities being repaid early. As such, it has improved disclosures on long-term liabilities.

The adoption of these amendments had no effect on the separate financial statements at December 31, 2024.

Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

On May 15, 2024, Regulation (EU) no. 2024/1317 was issued, incorporating certain amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures. The amendments aim to help users of financial statements determine the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk exposure.

The amendments require entities to disclose information on the impact of supplier finance arrangements on liabilities and cash flows, including:

- the terms and conditions;
- at the start and end of the reporting period:
- the carrying amounts of the financial liabilities that are part of the supplier financing agreement and the items in which these liabilities are presented;
- the carrying amounts of the financial liabilities and the items for which payment has already been settled by the finance provider;
- the range of payment terms, expressed in time, of payables due to lenders and of trade payables that do not form part of the arrangement;
- the type and effect of non-monetary changes in the carrying amounts of the financial liabilities that are part of the supplier finance arrangement, which prevent the carrying amounts of financial liabilities from being comparable.

The amendments require entities to aggregate information related to supplier finance agreements. However, entities must disaggregate information on any unusual or unique terms and conditions of individual arrangements when these are dissimilar.

Explanatory information on payment due dates must also be disaggregated when there is a wide range of payment due dates.

Supplier finance arrangements are included among the quantitative liquidity risk disclosures in IFRS 7 as an example of other potentially material factors.

The amendments contain measures to facilitate the transition. For example, entities are not required to disclose comparative information for preceding periods in the annual reporting period it first applies the amendments.

The adoption of these amendments had no effect on the separate financial statements at December 31, 2024.

New standards and interpretations issued by the IASB but not yet applicable

At the date of preparation of these separate 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	
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
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 IAS 21 - The Effects of Changes in Foreign Exchange Rates	1/1/2025

Any impacts on the separate 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
GOODWILL

Goodwill as of December 31, 2024 amounted to 8,814 million euros and refers to the goodwill included in TIM S.p.A.'s domestic business segment. This item decreased by 3,250 million euros compared to December 31, 2023 as a result of the allocation of the relevant portion of goodwill to the NetCo business unit, contributed to FiberCop S.p.A. and subject to sale on July 1, 2024.

In accordance with IAS 36, goodwill is not subject to amortization, but is tested for impairment on at least an annual basis, when preparing the company's separate financial statements.

If, at consolidated financial statements level, the need should arise to write-down the goodwill in reference to a specific CGU, this write-down must be attributed, in the separate financial statements of TIM S.p.A., to the business referring to the same CGU, which has not already been tested individually, namely goodwill and controlling investments that are part of the same CGU.

Impairment tests carried out with reference to the CGU in the consolidated financial statements have determined the need to write down the goodwill allocated to the Domestic CGU, of which the controlling investments held by TIM S.p.A. in Noovle S.p.A. and Telecom Italia Sparkle S.p.A. are a part.

Therefore, on the separate financial statements of TIM S.p.A., goodwill does not need to be impaired.

With reference to the investment held in Telecom Italia Sparkle S.p.A., please refer to what is explained in the Note "Investments."

Below, therefore, is an explanation of how impairment testing of the Domestic CGU is carried out for the consolidated financial statements.

Following the sale of NetCo, the Domestic CGU includes the Enterprise, Consumer and Sparkle perimeter. On February 12, 2025, TIM's Board of Directors accepted a binding price proposal (representing the fair value of the perimeter being sold) for the sale of the entire stake (100%) held in Telecom Italia Sparkle, the completion is expected to be concluded in the first part of 2026.

Therefore, the value configuration used to determine the recoverable amount as of December 31, 2024 of the Domestic CGU is the Fair Value estimated based on a valuation obtained by sum of parts between the Enterprise and Consumer (Domestic formerly Sparkle) subCGUs and the Sparkle subCGU.

The present value (as of December 31, 2024) of the price implied in the binding offer (price proposal referring to the first quarter of 2026) by an independent party (MEF / Retelit) was assumed as the recoverable value estimate of Sparkle.

Instead, the fair value based on the income approach was taken as the estimate of Domestic formerly Sparkle's recoverable value, as it was deemed to better express the value of the Group's assets (so-called market participant perspective), also reflecting the cost interventions in view of a possible future new and different business structure.
For the Domestic subCGU formerly Sparkle, the estimate of fair value on the basis of the income approach was made in compliance with IAS 36, with valuation principles and best practices, with reference to the flows of the 2025-2027 Industrial Plan, which is based on the final results of 2024: (i) it reflects realistic expectations regarding future evolutions; (ii) it brings into play careful cost cutting actions as preparation for the future business structure; (iii) it maintains the perspective of use of assets of the domestic market continuing on with the same conditions as at December 31, 2024. The expected cash flows reported in the 2025-2027 Industrial Plan approved by the Board of Directors have been critically analyzed and, with the support of expert appraisers, the average representativeness has been assessed. Expected average cash flows for the 2025-2027 Industrial Plan were extrapolated for an additional two years (2028-2029), thus bringing the explicit forecast period for future cash flows to a total of five years (2025-2029). The extrapolation of data for 2028-2029 was necessary, in line with that carried out by the main European incumbents, in order to intercept market, competition and industrial trends that will become manifest beyond the forecast horizon of the Industrial Plan. It is specified that where inputs are present that cannot be observed, the fair value thus determined is assigned as level 3 of the fair value hierarchy, as envisaged by IFRS 13 - Fair value measurement.

The estimation of the fair value according to the income approach requires the determination of the current value of income beyond the explicit forecast period ("terminal value"). For this purpose, the 2029 flow has been appropriately adjusted to take into account a level of long-term investment normalized by the effects related to the development of projects in innovative technologies existing in the plan years. In addition, specifically in reference to the use of the 5G license, account was taken of the expected incremental net flows over the license term beyond the plan's five-year term. This approach is consistent with the need to consider, on the one hand, the negative cash flows arising from the investments made supporting the exploitation of the 5G license, and on the other hand, the positive cash flows arising from the incremental business component that the license allows to be developed over a longer time frame than the five years of explicit forecast.
The cost of capital used to discount the future cash flows in the estimates of fair value for the Domestic subCGU formerly Sparkle:

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

These are reported below for the Domestic subCGU formerly Sparkle:

- the weighted average cost of capital (WACC rate) used to discount the future cash flows and the equivalent rate before tax;
- details are also provided of the growth rate used to estimate the residual value after the explicit forecast period (the G-Rate), expressed in nominal terms and related to the cash flows in their functional currency;
- details are provided of the implicit capitalization rates resulting from the difference between the cost of capital, after tax, and the G-Rate.

Parameters relevant to the Fair Value estimates of the Domestic sub-CGU formerly Sparkle

WACC	7.00 %
WACC before tax	9.08 %
Growth rate beyond the explicit period (g)	1.00 %
Capitalization rate after tax (WACC-g)	6.00 %
Capitalization rate before tax (WACC-g)	8.08 %
CapEx/Revenues, perpetual	10.65 %

The 7% aligned weighted average cost of capital estimate is within the range of weighted average cost of capital estimates by equity analysts.

The growth rate in the terminal value “g” of the Domestic subCGU formerly Sparkle was estimated taking into account the expected evolution of demand for the various business areas (Enterprise and Consumer), overseen in terms of investments and competences also by the subsidiary Noovle. The growth rate thus estimated falls within the range of growth rates applied by analysts who monitor TIM shares.

The phase of capital expenditure, competitive positioning and the technological infrastructure operated was taken into account in estimating the level of investment needed to sustain the perpetual development of cash flows after the explicit forecast period.

The recoverable amount of the Domestic cash generating unit, determined on the basis of the Fair Value estimated on the basis of the sum of the parts, showed headroom of 1,277 million euros.

Therefore, in light of all the above elements, the Goodwill values recognized in the financial statements of TIM S.p.A. are confirmed in the year 2024.

NOTE 4
INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The item decreased by 621 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2022	Investments	Depreciation and amortization	Impairment (losses) /reversals	Disposals	Other changes	12/31/2023
Industrial patents and intellectual property rights	**1,302**	427	(723)	0	(1)	249	**1,254**
Concessions, licenses, trademarks and similar rights	**3,316**	—	(322)	0	—	10	**3,004**
Other intangible assets	**2**	2	(1)	0	—	(1)	**2**
Work in progress and advance payments	**403**	188	—	0	(1)	(272)	**318**
Total	**5,023**	**617**	**(1,046)**	**—**	**(2)**	**(14)**	**4,578**

(million euros)	12/31/2023	Discontinued operations	Investments	Depreciation and amortization	Impairment (losses) /reversals	Disposals	Other changes	12/31/2024
Industrial patents and intellectual property rights	**1,254**	(152)	305	(640)	—	—	239	**1,006**
Concessions, licenses, trademarks and similar rights	**3,004**	(8)	—	(320)	—	—	(1)	**2,675**
Other intangible assets	**2**	—	—	(1)	—	—	1	**2**
Work in progress and advance payments	**318**	(69)	206	—	—	(1)	(180)	**274**
Total	**4,578**	**(229)**	**511**	**(961)**	**—**	**(1)**	**59**	**3,957**

Industrial patents and intellectual property rights consisted of software, patents and television rights. Specifically:

- television rights for TIM multimedia platforms are amortized over the duration of the contracts;
- application and plant operation software, purchased outright and with user licenses, is amortized over an expected useful life of two, three or six years;
- patents are amortized over five years.

Decrease by 248 million from December 31, 2023, due to depreciation and amortization for the year and the NetCo transaction, partially offset by the dynamics of investments and potential exercise in the year.

Concessions, licenses, trademarks and similar rights mainly related to the residual cost of licenses for mobile and fixed telecommunications services; compared to December 31, 2023, decreased by 329 million euros mainly due to the dynamics of amortization.

The amount of telephone licenses and similar rights in operation at December 31, 2024 and their useful lives are detailed below:

Type	Residual value as of 12/31/2024 (thousands of euros)	Useful life (Years)	Maturity	Amortization expense for 2024 (thousands of euros)
UMTS 2100 MHz (extension)	149,804	8	12/31/2029	29,961
WiMax (extension)	3,277	7	12/31/2029	668
34-36-MHz OpNet (former Linkem) band	43,722	7	12/31/2029	8,744
LTE 1800 MHz	42,855	18	12/31/2029	8,571
LTE 800 MHz	300,158	17	12/31/2029	60,032
LTE 2600 MHz	33,011	17	12/31/2029	6,602
L Band (1452-1492 MHz)	82,353	14	12/31/2029	16,471
900 and 1800 MHz band	273,742	11	12/31/2029	54,748
3600-3800 MHz band (5G)	1,153,689	19	12/31/2037	88,745
26.5-27.5 GHz band (5G)	22,593	19	12/31/2037	1,738
694-790 MHz band (5G)	570,490	15 years and 6 months	12/31/2037	43,884

Work in progress and advance payments amounted to 274 million euros (318 million euros as of December 31, 2023) and decreased by 44 million euros, due to the commissioning of *assets* and the NetCo transaction, partially offset by investments for the year. Work in progress mainly referred to IT investments in BSS-OSS and Service Creation and the development of access platforms.

Capital expenditures in 2024 amounted to 511 million euros and decreased by 35 million euros compared to 2023 (546 million euros, excluding the share pertaining to the NetCo business), mainly as a result of fewer acquisitions of software licenses and lower software platform development activities.

Amortization related to intangible assets amounted to 961 million euros and decreased by 11 million euros compared to those recognized in 2023 (972 million, excluding the portion related to the NetCo business), mainly as a result of lower amortization on software application developments and television broadcasting rights.

Amortization is recorded in the income statement under the components of EBIT.

The gross carrying amount, accumulated impairment losses and accumulated amortization at December 31, 2023 and December 31, 2024 can be summarized as follows:

		12/31/2023		
(million euros)	**Gross carrying amount**	**Accumulated impairment losses**	**Accumulated amortization**	**Net carrying amount**
Industrial patents and intellectual property rights	8,381	(1)	(7,126)	**1,254**
Concessions, licenses, trademarks and similar rights	4,894	—	(1,890)	**3,004**
Other intangible assets	59	—	(57)	**2**
Work in progress and advance payments	318	—	—	**318**
Total	**13,652**	**(1)**	**(9,073)**	**4,578**

(million euros)	12/31/2024 Gross carrying amount	Accumulated impairment losses	Accumulated amortization	Net carrying amount
Industrial patents and intellectual property rights	7,929	(1)	(6,922)	**1,006**
Concessions, licenses, trademarks and similar rights	4,868	—	(2,193)	**2,675**
Other intangible assets	61	—	(59)	**2**
Work in progress and advance payments	274	—	—	**274**
Total	**13,132**	**(1)**	**(9,174)**	**3,957**

With regard to the gross values of intangible assets with a finite useful life, in 2024 there were disposals of 482 million euros related to almost fully amortized intellectual property rights, including obsolete IT and network systems and software developments of 481 million euros and abandoned or expired patents of 1 million euros.

NOTE 5
TANGIBLE ASSETS

The item decreased by 4,840 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2022	Investments	Depreciation and amortization	Impairment (losses)/ reversals	Disposals	Other changes	12/31/2023
Land	**202**	—	—	—	(4)	1	**199**
Buildings (civil and industrial)	**441**	3	(27)	—	(4)	8	**421**
Plant and equipment	**5,471**	590	(1,139)	—	(24)	297	**5,195**
Manufacturing and distribution equipment	**17**	5	(7)	—	—	1	**16**
Other	**130**	27	(56)	—	—	9	**110**
Construction in progress and advance payments	**576**	364	—	—	(1)	(319)	**620**
Total	**6,837**	**989**	**(1,229)**	**—**	**(33)**	**(3)**	**6,561**

(million euros)	12/31/2023	Discontinued operations	Investments	Depreciation and amortization	Impairment (losses) / Reversals	Disposals	Other changes	12/31/2024
Land	**199**	(196)	—	—	—	—	(1)	**2**
Buildings (civil and industrial)	**421**	(415)	—	(1)	—	(1)	1	**5**
Plant and equipment	**5,195**	(3,782)	231	(451)	—	(7)	132	**1,318**
Manufacturing and distribution equipment	**16**	(16)	—	—	—	—	—	**—**
Other	**110**	(21)	39	(42)	—	—	(6)	**80**
Construction in progress and advance payments	**620**	(361)	206	—	(14)	—	(135)	**316**
Total	**6,561**	**(4,791)**	**476**	**(494)**	**(14)**	**(8)**	**(9)**	**1,721**

Land includes both built-up land (with the presence of buildings or light construction) and available land; It should be noted that land, including land pertaining to buildings, is not depreciated. This item decreased by 197 compared with December 31, 2023 mainly as a result of the NetCo transaction.

Buildings (civil and industrial) includes buildings for industrial use or offices and light construction (small prefabricated buildings and stacked containers). This item decreased by 416 million euros compared to December 31, 2023 mainly due to the NetCo transaction.

Plant and equipment consists mainly of transmission and power systems and equipment, data network and switching, SRB infrastructure, and commercial products. This item decreased by 3,877 million euros compared to December 31, 2023, mainly as a result of the NetCo transaction. Investments in 2024 (231 million euros) are down from the previous year (333 million euros, excluding the share pertaining to the NetCo business) mainly due to a decrease in investments on customer network and rented mobile terminals (-38 million euros), mobile access equipment and antennas (-20 million euros) and SRB infrastructure (-20 million euros).

Manufacturing and distribution equipment consisted of instruments and equipment used for the operation and maintenance of plant and equipment. This item was zero as of December 31, 2024 as a result of the NetCo transaction.

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; it dropped by 30 million euros on December 31, 2023.

Construction in progress and advance payments decreased by 304 million euros compared to December 31, 2023, mainly as a result of the NetCo transaction; These include the internal and external costs incurred for the acquisition and internal production of tangible assets, which are not yet in use. Other changes included the entry intro operation of capitalizations from previous years.

Disposals totaled 8 million euros and mainly related to the sale of Dark Fiber for network infrastructure (installation, transport, access), the abandonment of sites for Radio Base Stations and the sale of equipment as part of the process aimed at *decommissioning* and *asset* enhancement.

Capital expenditures in 2024 amounted to 476 million euros and decreased by 51 million euros compared to 2023 (527 million euros, excluding the share pertaining to the NetCo business); they are mainly related to commercial products for customer rental contracts (106 million euros), transmission equipment including SDH-Wdm (69 million euros), LTE/UMTS core and access (29 million euros), data network and switching (21 million euros), management hardware systems (39 million euros) and plant inventory materials (3 million euros), as well as tangible assets in progress (206 million euros) mainly related to *mobile access platform* development and *mobile engineering* activities.

Depreciation of tangible assets amounted to 494 million euros, a decrease of 27 million euros from 2023.

Depreciation is calculated using the straight-line method over the remaining useful lives of the assets in accordance with the depreciation plan reviewed annually to take account of useful lives by single class of fixed asset. The effects of any changes in the useful life are recognized in the income statement prospectively.

Depreciation for the year 2024 is calculated on a straight-line basis over the estimated useful lives of the assets according to the following minimum and maximum rates:

Buildings (civil and industrial)	3% – 6.67%
Plant and equipment	2.86% - 50%
Manufacturing and distribution equipment	20%
Other	11% - 33.33%

The gross carrying amount, accumulated impairment losses and accumulated amortization at December 31, 2023 and December 31, 2024 can be summarized as follows:

		12/31/2023		
(million euros)	**Gross carrying amount**	**Accumulated impairment losses**	**Accumulated amortization**	**Net carrying amount**
Land	199	—	—	**199**
Buildings (civil and industrial)	1,649	—	(1,228)	**421**
Plant and equipment	49,469	(9)	(44,265)	**5,195**
Manufacturing and distribution equipment	307	—	(291)	**16**
Other	1,381	(2)	(1,269)	**110**
Construction in progress and advance payments	621	(1)	—	**620**
Total	**53,626**	**(12)**	**(47,053)**	**6,561**

		12/31/2024		
(million euros)	**Gross carrying amount**	**Accumulated impairment losses**	**Accumulated amortization**	**Net carrying amount**
Land	2	—	—	**2**
Buildings (civil and industrial)	14	—	(9)	**5**
Plant and equipment	12,531	(4)	(11,209)	**1,318**
Manufacturing and distribution equipment	2	—	(2)	**—**
Other	1,027	(2)	(945)	**80**
Construction in progress and advance payments	316	—	—	**316**
Total	**13,892**	**(6)**	**(12,165)**	**1,721**

With regard to the gross carrying amounts of tangible assets, in 2024 disposals were made for a total value of 226 million euros, mainly in relation to fully depreciated assets, including: public telephone equipment and booths (142 million euros), consumer and business network equipment (30 million euros), network infrastructure (20 million euros), routers, decoders and other equipment (22 million euros), and cell phones (3 million euros).

NOTE 6
RIGHTS OF USE ASSETS

The item decreased by 1,758 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2022	Investments	Increases in lease contracts	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Other changes	12/31/2023
Rights of use on intangible assets								
Rights of use Concessions, Licenses, Trademarks and Similar Rights	**1**	—	—	(1)	—	—	—	**—**
	1	**—**	**—**	**(1)**	**—**	**—**	**—**	**—**
Rights of use on tangible assets								
Property	**2,318**	24	450	(310)	—	(35)	19	**2,466**
Plant and equipment	**776**	15	71	(132)	—	(14)	12	**728**
Other	**63**	—	12	(25)	—	(2)	—	**48**
Construction in progress and advance payments	**30**	18	—	—	—	—	(19)	**29**
	3,187	**57**	**533**	**(467)**	**—**	**(51)**	**12**	**3,271**
Total	**3,188**	**57**	**533**	**(468)**	**—**	**(51)**	**12**	**3,271**

(million euros)	12/31/2023	Discontinued operations	Investments	Increases in lease contracts	Depreciation and amortization	Impairment (losses) / reversals	Disposals	Other changes	12/31/2024
Rights of use on intangible assets									
Rights of use Concessions, Licenses, Trademarks and Similar Rights	**—**	—	—	—	—	—	—	—	**—**
	—	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Rights of use on tangible assets									
Property	**2,466**	(2,243)	1	100	(40)	—	(26)	6	**264**
Plant and equipment	**728**	(208)	—	86	(146)	—	(2)	720	**1,178**
Other	**48**	(34)		13	(6)	—	(2)	1	**20**
Construction in progress and advance payments	**29**	(21)	49	—	—	—	—	(6)	**51**
	3,271	**(2,506)**	**50**	**199**	**(192)**	**—**	**(30)**	**721**	**1,513**
Total	**3,271**	**(2,506)**	**50**	**199**	**(192)**	**—**	**(30)**	**721**	**1,513**

Rights of use on intangible assets were zero as of December 31, 2024 (zero as of December 31, 2023); these include the recording as an IFRS 16 lease, starting 2021, of an agreement that can be qualified as "Software as a Service - SaaS", in exchange for which TIM acquired the right to make exclusive use of software licenses residing on partitions of third party hardware platforms dedicated exclusively to the Company.

Rights of use on tangible assets amounted to 1,513 million euros and decreased compared to December 31, 2023 by 1,758 million euros. In particular:

- the item Property includes buildings and land under lease contracts and the related building adaptations. Decreased by 2,202 million euros mainly as a result of the NetCo transaction;
- the itemPlant and equipment mainly includes rights of use on infrastructure for telecommunication services and increases by 450 million euros compared to December 31, 2023 mainly as a result of the recognition, as part of the NetCo transaction as part of consideration, of usage rights (fair value) on B2B connections (755 million euros) with varying durations between 7 and 20 years;
- the itemOther includes mainly finance leases on motor vehicles and decreased by 28 million euros compared to December 31, 2023 mainly due to the NetCo transaction.

Capital expenditures consist of the acquisition of transmission capacity in IRUs (45 million euros, related to backhauling and other rights of use under the MSA with Fibercop S.p.A.) and incremental expenses and improvements incurred on leased property and non-property assets (5 million euros).

Increases in lease contracts 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), 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.

Disposals represents the book value of the assets from property lease contracts (and related improvements) issued in advance, net of the value of the residual financial debt.

In addition to the effects related to the NetCo transaction, **Other changes** mainly includes the transfers during the year and the changes related to the lower value of rights of use recorded as a result of contractual changes during the year, mainly for lease liabilities under IFRS 16.

Amortization and **impairment losses** have been recorded in the income statement as components of EBIT.

The gross carrying amount, accumulated impairment losses and accumulated amortization at December 31, 2023 and December 31, 2024 can be summarized as follows:

		12/31/2023		
(million euros)	Gross carrying amount	Accumulated impairment losses	Accumulated amortization	Net carrying amount
Rights of use on intangible assets				
Rights of use Concessions, Licenses, Trademarks and Similar Rights	4	—	(4)	**—**
Work in progress and advance payments	—	—	—	**—**
	4	**—**	**(4)**	**—**
Rights of use on tangible assets				
Property	5,252	(13)	(2,773)	**2,466**
Plant and equipment	1,315	—	(587)	**728**
Equipment	—	—	—	**—**
Other	192	—	(144)	**48**
Construction in progress and advance	29	—	—	**29**
	6,788	**(13)**	**(3,504)**	**3,271**
Total	**6,792**	**(13)**	**(3,508)**	**3,271**

		12/31/2024		
(million euros)	Gross carrying amount	Accumulated impairment losses	Accumulated amortization	Net carrying amount
Rights of use on intangible assets				
Rights of use Concessions, Licenses, Trademarks and Similar Rights	—	—	—	**—**
Work in progress and advance payments	—	—	—	**—**
	—	**—**	**—**	**—**
Rights of use on tangible assets				
Property	488	—	(224)	**264**
Plant and equipment	1,740	—	(562)	**1,178**
Equipment	—	—	—	**—**
Other	57	—	(37)	**20**
Construction in progress and advance	51	—	—	**51**
	2,336	**—**	**(823)**	**1,513**
Total	**2,336**	**—**	**(823)**	**1,513**

With regard to the gross carrying amounts of rights of use of third party assets, in 2024 disposals were made for a total value of 135 million euros.The categories of assets most affected were: rented properties and related improvements and adaptations (112 million euros), base transceiver stations (7 million euros) and leased cars (15 million euros).

NOTE 7
INVESTMENTS

These decreased, compared to December 31, 2023, by 3,470 million euros and refer to:

(million euros)	12/31/2024	*of which Financial Instruments*	12/31/2023	*of which Financial Instruments*
Subsidiaries	7,321		10,563	
Associates and joint ventures	68		304	
Other investments	44	*44*	36	*36*
Total	**7,434**	***44***	**10,903**	***36***

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

As permitted by IFRS 9, TIM S.p.A. now measures all Other Investments at fair value through other comprehensive income (FVTOCI).

In 2024 the main transactions with subsidiaries, associates, joint ventures and other equity investments of TIM S.p.A. were the following:

- *FiberCop S.p.A.* and *Telenergia S.r.l.:* on July 1, 2024, TIM S.p.A. transferred the Business Unit – consisting of the activities relating to the primary network, the wholesale business and 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")) and, together with FiberCop S.p.A., entered into a master services agreement regulating the terms and conditions of the services provided between FiberCop S.p.A. and TIM S.p.A.. On that date, therefore, the economic and equity effects of the Transaction were recognized;
- *Italtel S.p.A.*: On July 4, 2024, TIM S.p.A. sold its 17.72% stake in Italtel S.p.A. to Nextalia SGR S.p.A;
- *Nordcom S.p.A.*: On July 15, 2024, TIM S.p.A. sold its 42% stake in Nordcom S.p.A. to FNM S.p.A;
- *Daphne 3 S.p.A.*: on November 29, 2024 TIM S.p.A. sold its entire 10% stake in Daphne 3 S.p.A. to Impulse I (consortium led by Ardian) and Daphne 3 S.p.A. itself.

Movements during 2024 for each investment and the corresponding amounts at the beginning and end of the year are shown in the tables below. In particular, the main movements for the year were as follows:

- *Telecom Italia Sparkle S.p.A.:* following the acceptance of the binding offer for the sale of the entire stake (100%) held in Telecom Italia Sparkle, in the 2024 Financial Statements, the Telecom Italia Sparkle Group's actual loss for the year 2024 (70 million euros) was fully recognized and, following the verification of the recoverability of the value of the stake based on the offer, an impairment loss of 230 million euros was recognized;
- *Telecom Italia Latam Participações e Gestão Administrativa Ltda*: TIM carried out a capital increase in the amount of 16 million euros;
- *Olivetti S.p.A. Società Benefit:* TIM made a capital increase of 30 million euros and the value of the investment was written down by 22 million euros (including 10 million euros through reclassification of the provision for risks and charges on investments);
- *Polo Strategico Nazionale S.p.A.:* TIM made a capital investment of 7 million euros;
- *FIN PRIV S.r.l.:* the fair value of the investment was adjusted upwards by 9 million euros.

Investments

(thousands of euros)	**Carrying amount at 12/31/2023**	Mergers/ demergers spin-offs of business units	Acquisitions/ Subscriptions/ Payments to cover Losses	Disposals/ Reimbursements	Impairment losses / Reversals Value/ Adj. Fair value	Other changes and reclassifications	Total changes	**Carrying amount at 12/31/2024**
Investments in subsidiaries								
CD FIBER S.r.l.	43				(6)		(6)	37
FIBERCOP S.p.A.	2,965,894	4,002,938		(6,968,850)		18	(2,965,894)	—
OLIVETTI S.p.A. SOCIETA' BENEFIT	—				(21,768)	30,000	8,232	8,232
NOOVLE S.p.A. SOCIETA' BENEFIT	1,079,907					(3)	(3)	1,079,904
TELECOM ITALIA CAPITAL S.A.	2,388						—	2,388
TELECOM ITALIA FINANCE S.A.	5,914,971						—	5,914,971
TELECOM ITALIA LATAM PARTICIPAÇÕES E GESTÃO ADMINISTRATIVA	—		15,995				15,995	15,995
TELECOM ITALIA SAN MARINO S.p.A.	7,565						—	7,565
TELECOM ITALIA SPARKLE S.p.A.	481,109				(300,000)	21	(299,979)	181,130
TELECOM ITALIA VENTURES S.r.l.	63,635						—	63,635
TELECONTACT CENTER S.p.A.	12,654						—	12,654
TELENERGIA S.r.l.	100	(100)					(100)	—
TELSY S.p.A.	19,522						—	19,522
TI AUDIT COMPLIANCE LATAM (in liquidation) S.A.	—						—	—
TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A.	—						—	—
TIM RETAIL S.r.l.	15,143						—	15,143
TIM MY BROKER S.r.l.	10						—	10
TIM SERVIZI DIGITALI S.p.A.	—						—	—
	10,562,941	**4,002,838**	**15,995**	**(6,968,850)**	**(321,774)**	**30,036**	**(3,241,755)**	**7,321,186**

(thousands of euros)	**Carrying amount at 12/31/2023**	Mergers/ demergers spin-offs of business units	Acquisitions/ Subscriptions/ Payments to cover Losses	Disposals/ Reimbursements	Impairment losses / Reversals Value/ Adj. Fair value	Other changes and reclassifications	Total changes	**Carrying amount at 12/31/2024**
Investments in associates and joint ventures								
AREE URBANE (in liquidation)	—						—	—
DAPHNE 3 S.p.A.	234,247			(234,247)			(234,247)	—
ITALTEL S.p.A.	6,557			(6,557)			(6,557)	—
NORDCOM S.p.A.	2,143			(2,143)			(2,143)	—
POLO STRATEGICO NAZIONALE S.P.A.	24,300		7,200				7,200	31,500
TIGLIO I	—						—	—
TIMFin S.p.A.	36,750						—	36,750
	303,997	**—**	**7,200**	**(242,947)**	**—**	**—**	**(235,747)**	**68,250**

(thousands of euros)	**Carrying amount at 12/31/2023**	Mergers/ demergers spin-offs of business units	Acquisitions/ Subscriptions/ Payments to cover Losses	Disposals/ Reimbursements	Impairment losses / Reversals Value/ Adj. Fair value	Other changes and reclassifications	Total changes	**Carrying amount at 12/31/2024**
Investments in other companies								
BANCA UBAE	2,187				260		260	2,447
FIN. PRIV.(*)	23,413				8,948		8,948	32,361
IST. ENCICLOPEDIA ITALIANA G. TRECCANI	3,394				(611)		(611)	2,783
ISTITUTO EUROPEO DI ONCOLOGIA	2,864				77		77	2,941
Other minor investments	3,599	—	14	—	245	—	259	3,858
	35,457	**—**	**14**	**—**	**8,919**	**—**	**8,933**	**44,390**
Total Investments	**10,902,395**	**4,002,838**	**23,209**	**(7,211,797)**	**(312,855)**	**30,036**	**(3,468,569)**	**7,433,826**

(*) Recognized investment measured at fair value through other comprehensive income (FVTOCI).

The list of investments in subsidiaries, associates and joint ventures at December 31, 2024 is presented in compliance with Article 2427 of the Italian Civil Code and reported in the Note 43 "List of investments in subsidiaries, associates and joint ventures".

NOTE 8

NON-CURRENT AND CURRENT FINANCIAL ASSETS

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

(million euros)		12/31/2024	12/31/2023
Non-current financial assets			
Financial receivables and other non-current financial assets			
Financial receivables from subsidiaries		1,034	3,049
Receivables from employees		9	29
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		72	73
Non-hedging derivatives		464	726
Other financial receivables		—	9
		1,579	**3,886**
Financial receivables for lease contracts		**14**	**6**
Total non-current financial assets	**(a)**	**1,593**	**3,892**
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)		—	—
Measured at Fair Value Through Profit or Loss (FVTPL)		—	—
		—	—
Financial receivables and other current financial assets			
Receivables from employees		3	22
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature		4	66
Non-hedging derivatives		43	73
Financial receivables from subsidiaries		395	380
Other short-term financial receivables		1	491
	(b)	**446**	**1,032**
Financial receivables for lease contracts	**(c)**	**26**	**68**
Cash and cash equivalents	**(d)**	**820**	**598**
Total current financial assets	**e=(b+c+d)**	**1,292**	**1,698**
Total non-current and current financial assets	**(f)=(a+e)**	**2,885**	**5,590**

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

Financial receivables from subsidiaries amounted to 1,034 million euros (3,049 million euros at December 31, 2023) and consisted of loans granted to Noovle S.p.A. (884 million euros), Telecom Italia Sparkle S.p.A. (110 million euros), Telsy S.p.A. (39 million euros). Current financial receivables from subsidiaries amounted to 395 million euros (380 million euros as of December 31, 2022) and included 5 million euros of current portion of medium- to long-term loans and 390 million euros of draws on short-term credit lines (including 386 million euros with counterparty Telecom Italia Sparkle S.p.A.).

Financial receivables for lease contracts (current and non-current) amounted to 40 million euros (74 million euros at December 31, 2023) and included:

- agreements for the sale of network infrastructure in IRU with deferred collection over time of 20 million euros (64 million euros at December 31, 2023) recognized using the financial method envisaged by IFRS 16 given the contractual term substantially close to the economic life of the asset;
- 13 million euros in sub-lease agreements (including 11 million to subsidiaries);
- contracts for the lease of commercial products to customers, for an amount of 7 million euros (10 million euros at December 31, 2023).

Receivables from employees (current and non-current) amounted to 12 million euros (51 million euros at December 31, 2023) and included the remaining amount due on loans granted.

Hedging derivatives, amounting to 76 million euros (139 million euros as of December 31, 2023), include the *spot mark-to-market* valuation components of *cash flow hedge* derivatives and the accrued income on these contracts, in particular 73 million euros have Telecom Italia Finance S.A. as counterparty.

Non-hedging derivatives amounted to 507 million euros (799 million euros at December 31, 2023) and included the asset value of transactions that TIM S.p.A. carries out on behalf of Group companies under centralized treasury arrangements. This item is offset by the corresponding item classified in financial liabilities.

The non-hedging derivatives consisted of:

- items classified under non-current financial assets (464 million euros), which refer to the mark-to-market spot valuation component of the non-hedging derivatives;
- items classified as current financial assets (43 million euros), relating to the accrued income component on non-hedging derivative contracts.

Further details are provided in Note 18 "Derivatives".

Cash and cash equivalents amounted to 820 million euros**,** up by 222 million euros compared to December 31, 2023 and were broken down as follows:

(million euros)	12/31/2024	12/31/2023
Liquid assets with banks, financial institutions and post offices	732	560
Checks, cash and other receivables and deposits for cash flexibility	—	—
Receivables from subsidiaries	88	38
Total	**820**	**598**

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 are made with leading banking and financial institutions with high credit quality and with a rating of at least BBB- according to Standard & Poor’s or similar rating agencies;
- Country risk: deposits have been made mainly in major European financial markets.

NOTE 9

MISCELLANEOUS RECEIVABLES AND OTHER NON-CURRENT ASSETS

Miscellaneous receivables and other non-current assets breaks down as follows:

(million euros)		12/31/2024	*of which Financial Instruments*	12/31/2023	*of which Financial Instruments*
Miscellaneous receivables (non-current)					
Miscellaneous receivables from subsidiaries		3	—	140	—
Miscellaneous receivables from associates		—	—	—	—
Other receivables		247	*6*	43	*12*
	(a)	**250**	***6***	**183**	***12***
Other non-current assets					
Deferred contract costs		1,221	—	1,541	
Other deferred costs		81	—	71	
	(b)	**1,302**	**—**	**1,612**	**—**
Total	**(a+b)**	**1,552**	***6***	**1,795**	***12***

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

Miscellaneous receivables (non-current)

This item increased by 67 million euros compared to December 31, 2023 and includes:

- receivables from subsidiaries for tax consolidation amounting to 3 million euros (140 million euros as of December 31, 2023); the reduction is mainly related to the fact that the balance as of December 31, 2023 included a receivable from FiberCop S.p.A. in the amount of 135 million euros that was settled in 2024;
- other receivables amounting to 247 million euros (43 million euros as of December 31, 2023), which mainly include 211 million euros recognized in the second half of 2024 in connection with the non-current portion of the receivable from FiberCop S.p.A. for services related to the MSA, which arose as part of the NetCo transaction and 31 million euros due from the tax authority for income taxes (unchanged from December 31, 2023).

Other non-current assets

This item decreased by 310 million euros compared to December 31, 2023, and includes:

- **Deferred contract costs** for 1,221 million euros (1,541 million euros at December 31, 2023): mainly related to the deferral of costs connected 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 deferred non-current and current contract costs amounted to 1,710 million euros (2,095 million euros at December 31, 2023); the breakdown of the total deferred non-current and current contract costs at December 31, 2024 is provided below, as well as the related changes in the year:

(million euros)	12/31/2024	12/31/2023
Deferred contract costs		
Non-current deferred contract costs	1,221	1,541
Current deferred contract costs	489	554
Total	**1,710**	**2,095**

(million euros)	12/31/2023	Discontinued operations	Increase	Release to income statement	Other changes	12/31/2024
Contract acquisition costs	**1,426**	(39)	389	(390)	—	**1,386**
Contract execution costs	**669**	(309)	72	(108)	—	**324**
Total deferred contract costs	**2,095**	**(348)**	**461**	**(498)**	**—**	**1,710**

Total deferred contract costs will be recognized in the income statement of future years of the Company and in particular, for approximately 489 million euros in 2025, based on the amount at December 31, 2024 without taking into account the new deferred portions. More specifically:

(million euros)	12/31/2024	Year of recognition in the income statement					
		2025	2026	2027	2028	2029	after 2029
Deferred contract costs							
Contract acquisition costs	1,386	393	317	242	170	116	148
Contract execution costs	324	96	72	55	39	24	38
Total	**1,710**	**489**	**389**	**297**	**209**	**140**	**186**

- **Other deferred costs** of 81 million euros (71 million euros at December 31, 2023): mainly referred to costs for leased assets.

NOTE 10

INCOME TAX EXPENSE (CURRENT AND DEFERRED)

Current income tax receivables

Non-current income tax receivables (classified as Miscellaneous receivables and other non-current assets) amounted to 31 million euros at December 31, 2024, which is unchanged compared to the previous year; they relate to non-assigned receivables for taxes and interest resulting from the recognized deductibility for IRES tax purposes of the IRAP tax calculated on labor costs, relating to years prior to 2012, following the entry into force of Italian Decree Law 16/2012.

Current tax receivables came to 48 million euros and were up 6 million euros on December 31, 2023 (42 million euros); included receivables for tax paid abroad for 17 million euros, residual IRAP from previous years for 15 million euros, tax consolidation credit for 13 million euros, and other tax receivables of 3 million euros.

Tax assets and deferred tax liabilities

The net balance is composed as follows:

(million euros)	12/31/2024	12/31/2023
Deferred tax assets	299	406
Deferred tax liabilities	—	—
Total	**299**	**406**

The 2024 financial statements do not include IRES deferred tax for current period and prior period tax losses nor do they include IRAP deferred tax assets/liabilities, (as was the case in the previous financial statements), in consideration of the assessment of the time frame for recoverability of deferred tax assets of TIM S.p.A.

The presentation of deferred tax assets and liabilities in the financial statements takes account of offsets to the extent that such offsets are legally permitted. The composition of the gross amounts prior to offsetting is presented below:

(million euros)	12/31/2024	12/31/2023
Deferred tax assets	303	431
Deferred tax liabilities	(4)	(25)
Total	**299**	**406**

Deferred tax assets and deferred tax liabilities which made up this line item at December 31, 2024 and 2023, as well as the movements during 2024 were as follows, broken down by type of temporary differences:

(million euros)	12/31/2023	Recognized in profit or loss	Recognized in equity	Other changes	12/31/2024
Deferred tax assets:					
Provisions for pension fund integration Law 58/92	3	—	—	—	3
Provisions	126	(21)	—	—	105
Provision for bad debts	76	(15)	—	—	61
Financial instruments	106	—	(53)	—	53
Taxed depreciation and amortization	103	3	—	(41)	65
Tax losses (*)	—	—	—	—	—
Other deferred tax assets	17	(1)	—	—	16
Total	**431**	**(34)**	**(53)**	**(41)**	**303**
Deferred tax liabilities:					
Accelerated depreciation	(3)	—	—	3	—
Bond issue expense	(1)	—	—	—	(1)
Other deferred tax liabilities	(21)	2	—	16	(3)
Total	**(25)**	**2**	**—**	**19**	**(4)**
Total Deferred tax assets net of Deferred tax liabilities	**406**	**(32)**	**(53)**	**(22)**	**299**

(*) For the new flow of tax losses in 2024, no deferred tax assets are entered

It should be noted that the Other Changes column includes Deferred Tax Assets and Deferred Tax Liabilities that were contributed as part of the NetCo transaction.

The expirations of deferred tax assets and deferred tax liabilities at December 31, 2024 were the following:

(million euros)	Within next year	Beyond 1 year year	Total at Dec 31, 2024
Deferred tax assets	123	180	303
Deferred tax liabilities	(2)	(2)	(4)
Total Deferred tax assets net of Deferred tax liabilities	**121**	**178**	**299**

The company has not posted deferred IRES tax assets for 982 million euros on tax losses and for 102 million euros on benefits for Aid to economic growth (ACE), and IRAP deferred tax assets for 15 million euros.

Current income tax payables

As of December 31, 2024, **current tax payables** were zero (unchanged from December 31, 2023), while **noncurrent tax payables** were 1 million euros (not present as of December 31, 2023).

Income tax expense

The **income tax expense** for the years ended December 31, 2024 and 2023 is detailed below:

(million euros)	2024	2023
IRAP taxes for current year	—	—
IRES taxes for current year	—	—
Substitute tax pursuant to Decree Law 104/2020 art. 110	—	—
Expenses/(income) from tax consolidation	(2)	(132)
Current taxes of prior years	1	(2)
Total current taxes	**(1)**	**(134)**
Deferred taxes for the year	30	79
Deferred taxes of prior years	2	9
Total deferred taxes	**32**	**88**
Total income tax expense for the year	**31**	**(46)**

The current IRES tax rate is 24%, while the effective IRAP tax rate is 4.5%.

Income for current taxes is represented by the benefit of tax consolidation (2 million euros) partially offset by taxes from previous years (1 million euros) related to the effects of the tax return compared to the estimate made in the 2023 financial statements on the basis of the information available at the time.

The current tax benefits juxtaposes with the deferred tax expense of 32 million euros, of which 2 million euros relate to previous years.

The reconciliation between the theoretical tax charge, calculated on the basis of the IRES tax rate in effect at December 31, 2024 (24%), and the effective tax charge in the financial statements is as follows:

(million euros)	2024	2023
Result before tax		
From continuing operations	(545)	386
Derived from Discontinued operations/Non-current assets held for sale	(666)	(1,427)
Total profit (loss) before tax	**(1,211)**	**(1,041)**
Theoretical income tax expense	**(291)**	**(250)**
Income tax effect on increases (decreases) in variations:		
dividends recognized in income	(4)	(257)
impairment losses, gains and losses on investments	98	40
non-deductible depreciation, amortization and impairments	15	1
non-deductible costs	4	9
other items	(4)	18
IRES taxes for previous years	3	8
Suspension of period tax losses (failure to enter deferred tax)	210	385
Actual taxes on income statement, excluding IRAP	**31**	**(46)**
IRAP (Regional Tax on Production Activities)	—	—
Total of actual taxes to income statement	**31**	**(46)**

For the purpose of a better understanding of the reconciliation under consideration, the impacts of IRAP have been kept separate to avoid any distorting effect, as this tax is commensurate with a different tax base than pre-tax income.

Global Minimum Tax

Legislative Decree no. 209 of December 27, 2023, implementing the international tax reform, transposed European Union Council Directive no. 2022/2523/EU (the "**Directive**"), which implements the rules developed by the OECD on Pillar 2 and Global Minimum Tax ("Model Rules" or "GloBE Rules"). The new rules took effect on January 1, 2024.

To give a very brief overview, the GloBE Rules introduce a coordinated system of rules for multinational groups with total revenues of 750 million euros or more, aimed at ensuring that they are subject to a minimum tax level of at least 15% in relation to income generated in each country in which they operate. The GloBE Rules provide for the application of a top-up tax due if the effective tax rate ("ETR") calculated for each country according to the common rules is below 15%, up to that level. The ETR is equal to the ratio of taxes paid (with adjustments) to accounting profit (with adjustments). Both the calculation of the effective tax rate and the supplementary tax are done on a jurisdictional (i.e. country-by-country) basis.

The OECD has developed a system of safe harbours (i.e. tests) applicable during the first three-year period of the GloBE Rules (until 2026), which will make it possible to avoid making the complex calculations required and to consider the supplementary tax due in a given state to be zero if one of the following tests is passed:

- ***de minimis test***: aggregate revenue in that state is less than 10 million euros and aggregate pre-tax profit is less than 1 million euros (or a loss);
- ***simplified ETR test***: The effective tax level is at least 15% (for 2024), 16% (for 2025) and 17% (for 2026) and is to be determined on the basis of the ratio of the aggregate values of pre-tax profit/loss (denominator) and income tax (numerator);
- ***routine profit test***: the economic substance present in a given jurisdiction (calculated assuming a given implied profitability of tangible assets and personnel costs located in the jurisdiction) is greater than the aggregate amount of pre-tax profit/loss. In the event that the group is found to have a pre-tax loss, the test will be regarded as positive.

As part of the scope of application of the *GloBE Rules*, TIM S.p.A. has been engaged for some time in analyzing the new rules and structuring an internal process for collecting the data necessary to make the calculations expected when fully implemented.

TIM S.p.A. carried out a preliminary analysis of 2024 data with reference to the application of safe harbours to the jurisdictions in which it operates. From the calculations made and based on the best interpretation of documents published by the OECD, virtually all countries pass at least one of the tests. The only notable exception concerns the jurisdiction of Luxembourg, which does not appear to be covered by any of the safe harbors examined. In this regard, it should be noted that Luxembourg has adopted by domestic legislation the GloBE Rules and the respective Qualified Domestic Minimum Top-Up Tax (also "QDMTT") has been in effect since 2024. Although further studies are still being carried out on the matter, it is believed that there are valid reasons why, in any case, no additional material imposition should emerge from this situation in the analyzed jurisdiction.

NOTE 11
INVENTORIES

At December 31, 2024, these amounted to 148 million euros (198 million euros at December 31, 2023) and mainly consisted of fixed and mobile telecommunications equipment and terminals and the related accessories.

This item increased by 50 million euros compared to December 31, 2023; this trend is mainly attributable to the NetCo transaction.

In 2024, write-downs of inventories amounted to 4 million euros.

No inventories are pledged as collateral.

NOTE 12
TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER CURRENT ASSETS

Trade and miscellaneous receivables and other current assets at December 31, 2024 breaks down as follows:

(million euros)		12/31/2024	*of which Financial Instruments*	12/31/2023	*of which Financial Instruments*
Trade receivables					
Receivables from customers		736	*736*	408	*408*
Receivables from other telecommunications		390	*390*	1,411	*1,411*
Receivables from subsidiaries		225	*225*	1,009	*1,009*
Receivables from associates and joint ventures		186	*186*	46	*46*
Receivables from other related parties		9	*9*	25	*25*
Customer collections pending credit		9	*9*	8	*8*
	(a)	**1,555**	***1,555***	**2,907**	***2,907***
Miscellaneous receivables (current)					
Receivables from subsidiaries		5	—	163	—
Receivables from associates and joint ventures		—	—	—	—
Receivables from other related parties		—	—	—	—
Other receivables		681	*66*	502	*55*
	(b)	**686**	***66***	**665**	***55***
Other current assets					
Contract assets		24	*24*	31	*31*
Deferred contract costs		489	—	554	—
Other deferred costs		360	—	347	—
Other		25	—	57	—
	(c)	**898**	***24***	**989**	***31***
Total	**(a+b+c)**	**3,139**	***1,645***	**4,561**	***2,993***

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

The analyses of the aging of the financial instruments included in Trade and miscellaneous receivables and other current assets at December 31, 2024 and December 31, 2023 are provided below:

(million euros)	12/31/2024	of which non-overdue	of which overdue	Overdue: 0-90 days	91-180 days	181-365 days	More than 365 days
Trade and miscellaneous receivables and other current assets	**1,645**	1,428	217	23	32	—	162

(million euros)	12/31/2023	of which non-overdue	of which overdue	Overdue: 0-90 days	91-180 days	181-365 days	More than 365 days
Trade and miscellaneous receivables and other current assets	**2,993**	2,677	316	96	35	41	144

Financial instruments included in trade and miscellaneous receivables and other current assets include Assets deriving from contracts with customers (Contract Assets) for 24 million euros; decreased compared to December 31, 2023 by 1,348 million euros mainly due to the NetCo transaction. Specifically:

- **current net receivables**: recorded a decrease of 1,249 million euros, mainly due to the NetCo transaction, compounded by the management dynamics of reducing receivables, particularly from subscribers;
- **overdue net receivables:** decreased by 99 million, particularly in the ageing ranges up to 365 days; the reduction is mainly attributable to the impacts of the NetCo transaction and is concentrated in the 0-90 day ageing range, where stocks contracted by 73 million also due to improved collection performance and revenue dynamics in the subscriber segment.

Trade receivables

These came to 1,555 million euros (2,907 million euros at December 31, 2023) and were net of the related provision for bad debts of 239 million euros (316 million euros at December 31, 2023); in particular, the provision for bad debt at December 31, 2024 was impacted by the provisions made in 2024 for a total of 45 million euros.

Movements in the provision for bad debts were as follows:

(million euros)	12/31/2024	12/31/2023
At January 1	**316**	**365**
Discontinued operations	(11)	—
Provision charges to the income statement	45	62
Draw downs and other changes	(111)	(111)
At December 31	**239**	**316**

Trade receivables decreased by 1,352 million euros compared to December 31, 2023, mainly in connection with the NetCo transaction.

In particular, we report:

- receivables from customers: amounted to 736 million euros and increased by 328 million euros compared to December 31, 2023;
- receivables from other operators: amounted to 390 million euros and decreased by 1,021 million euros compared to December 31, 2023 substantially due to the NetCo transaction;
- receivables from subsidiaries: amounted to 225 million euros and decreased by 784 million euros compared to December 31, 2023, mainly as a result of FiberCop S.p.A. (-771 million euros) and Telenergia S.r.l. (-2 million euros) leaving the scope of consolidation. This item refers to receivables for the supply of TLC products and services, mainly to Noovle S.p.A. Benefit Company (150 million euros), TIM S.A. (24 million euros), TIM Retail S.r.l. (20 million euros) and Telecom Italia Sparkle S.p.A. (16 million euros);
- receivables from associates: amounted to 186 million euros (46 million euros at December 31, 2023) and mainly relate to the supply of services to Polo Strategico Nazionale S.p.A.;
- receivables from associates amounted to 9 million euros (25 million euros at December 31, 2023) and mainly relate to the supply of services to the Cassa Depositi e Prestiti Group.

Miscellaneous receivables (current)

Amounted to 686 million euros (net of a provision for bad debts of 39 million euros), increasing by 21 million euros compared to December 31, 2023. They include:

- **receivables from subsidiaries**: these amounted to 5 million euros (163 million euros at December 31, 2023) and mainly related to receivables from Group companies for the tax consolidation (4 million euros); the decrease in the item by 158 million euros is substantially due to the exit of FiberCop S.p.A. from the scope of consolidation (-154 million euros);
- **other receivables**: totaled 681 million and break down as follows:

(million euros)	12/31/2024	12/31/2023
Advances to suppliers	140	304
Receivables from employees	6	8
Tax receivables	58	15
Receivables for grants from the government and public entities	11	10
Sundry receivables	466	165
Total	**681**	**502**

Tax receivables, amounting to 58 million euros, are mainly represented by the VAT credit (57 million euros).

Receivables for grants from State and Public Entities (11 million euros) mainly pertain to projects not related to network infrastructure, financed by MISE and the European Community, in particular projects related to Emerging Technology Centers, while the figure as of December 31, 2023 pertained mainly to projects called Ultra Broadband-BUL and Broadband-BL, which were the subject of conferment as part of the NetCo transaction. 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 mainly included:

- receivable for tax consolidation from FiberCop S.p.A. (135 million euros) and from Telenergia S.p.A. (2 million euros), which as of December 31, 2023, however, were included among the subsidiaries;
- the current portion (98 million euros) of the receivable from FiberCop S.p.A. for services related to the MSA, which arose as part of the NetCo transaction;
- receivables for Universal Service (52 million euros);
- receivables from social security and pension institutions (48 million euros);
- receivable for repayment of portion of the penalty pertaining to the A514 proceeding (32 million euros), as per the Council of State ruling of November 13, 2024;
- miscellaneous receivables from other TLC operators (27 million euros);
- receivables for with-recourse assignments to factoring companies (23 million euros).

Other current assets

Amounted to 898 million and decreased by 91 million compared to December 31, 2023; it included:

- **Contract assets**: amounted to 24 million euros (31 million euros as of December 31, 2023) and refer to:
  - 11 million euros for the advance recognition of revenues for those bundle contracts (such as product and service packages) with the individual performance obligations with different timing for their recognition, in which goods recognized "at point in time" are sold at a discounted price, or for those contracts which, envisaging a discount for a period of time less than the minimum contract duration, pursuant to IFRS 15 need the discount to be reallocated over the minimum contract duration;
  - 13 million euros to the work carried out in connection with the "5G Coverage Plan" under the NRRP.

  Contract Assets - net of the related provision for impairment of 1 million euros - decreased by 7 million euros compared to December 31, 2023, mainly due to the contribution, as part of the NetCo transaction, of the contract assets relating to the Italia 1G Plan and the 5G Backhauling Plan included in the PNRR (-17 million euros), an effect partially offset by the increase in activities relating to the 5G Coverage Plan (+12 million euros), which had just started in 2023.
- **Deferred contract costs** (489 million euros, 554 million euros at December 31, 2023): 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). For additional details on the deferred contract costs and their movement during the year, refer to the Note "Miscellaneous receivables and other non-current assets";
- **Other deferred costs**: amounted to 360 million euros (347 million euros as of December 31, 2023) and refer to:
  - 294 million euros for the deferral of costs related to rental fees and other lease and rental costs;

- 53 million euros for the deferral of after-sales expenses on application offers;
- 3 million euros for the deferral of costs for the purchase of products and services;
- 5 million euros for maintenance fees;
- 5 million euros for insurance premiums.

- **Other** (25 million euros, 57 million euros at December 31, 2023): Are related to receivables for contract work.

NOTE 13

DISCONTINUED OPERATIONS /NON-CURRENT ASSETS HELD FOR SALE

At its meeting of July 6, 2022, TIM's Board of Directors approved the strategic objective of reorganizing the Company with the aim of leaving behind the Company's vertical integration.

In November 2023, the Board of Directors of TIM S.p.A., as a result of an extensive and thorough review conducted with the assistance of leading financial and legal *advisors*, reviewed and accepted the binding offer submitted on October 16, 2023 by Kohlberg Kravis Roberts & Co. L.P. ("KKR") for the purchase of TIM's fixed-line network assets and equity interests held in FiberCop S.p.A. and Telenergia S.r.l. (also referred to as the "NetCo"), by Optics BidCo S.p.A. (a subsidiary of KKR) (hereinafter referred to as the "NetCo Disposal").

Following acceptance of the offer, TIM S.p.A. then signed a *Transaction Agreement* with Optics BidCo that provided:

- the contribution by TIM S.p.A. of a business unit (the "Business Unit") - consisting of the activities related to the Primary Network, the so-called""*Wholesale"* business and the entire stake in the subsidiary Telenergia S.r.l. - in FiberCop S.p.A. ("FiberCop"), a company that already managed the activities related to the secondary fiber and copper network, and
- the simultaneous purchase by Optics Bidco of the entire shareholding held by TIM S.p.A. in FiberCop S.p.A. itself, following the aforementioned transfer.

The *Transaction Agreement* also provided that the consideration for the sale of the stake could also be partially paid through the transfer to Optics BidCo of part of the TIM Group's debt at the same time as the *closing of* the NetCo Disposal (*Liability Management/* Exchange Offers).

In detail, three Exchange Offers were made of new bonds issued by Optics BidCo with bonds previously issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. As of the closing date, a par value of 3,669,680,000 euros was exchanged for bonds issued by TIM S.p.A. and Telecom Italia Finance S.A., and a par value of USD 2,000,011,000 for bonds issued by Telecom Italia Capital S.A. The new bonds issued by Optics BidCo have essentially the same terms as the corresponding original bond series, including maturity, interest rate, interest payment dates and so-called restrictive covenants.

Preliminary activities carried out by TIM S.p.A. for the Disposal of NetCo include obtaining the following authorizations:

- authorization on distortionary foreign subsidies and authorization under the Golden Power framework (obtained in January 2024);
- authorization of the divestment from the European Commission (obtained in May 2024).

Following those authorizations being obtained, TIM S.p.A. made the transfer of the Business Unit to FiberCop with effect on July 1, 2024. also on July 1, 2024, TIM S.p.A. transferred to Optics Bidco the entire stake it held in the share capital of FiberCop and signed, with FiberCop, the so-called Master Services Agreement governing the terms and conditions of the services that are rendered between NetCo and TIM S.p.A.. .

The total consideration for the sale of NetCo amounted to 10,536 million euros, of which 4,247 million euros were settled through cash and other cash equivalents, 5,534 million euros related to the face value of bonds subject to "Exchange Offers," and 755 million euros related to the *fair value* recognition of usage rights on B2B connectivity (with varying durations between 7 and 20 years); The total consideration does not take into account any additional adjustments related to the usual post-closing price adjustment mechanisms.

As part of the transaction, there is also provision for the recognition of possible *earn-outs* in favor of TIM, linked to the occurrence of future events such as, in particular:

- the completion, during the 30 months following the closing date (July 1, 2024), of certain potential consolidation transactions involving NetCo and to the possible introduction of regulatory changes suitable for generating benefits in favor of NetCo, which could result in the payment to TIM of up to 2.5 billion euros;
- the introduction and entry into force by December 31, 2025, of industry incentives that could result in the payment to TIM of up to 400 million euros.

It is finally recalled that the *Master Services Agreement* governing the relationship between TIM S.p.A. and NetCo became effective as of July 1, 2024.

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

(million euros)		2024	2023
Economic effects of Discontinued operations / Non-current assets held for sale:			
Revenues		**1,547**	**3,173**
Other income		34	97
Acquisition of goods and services		(1,274)	(2,530)
Employee benefits expenses		(551)	(1,025)
Other operating expenses/Change in inventories/Internally generated assets		19	88
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		**(225)**	**(197)**
Depreciation and amortization		(515)	(1,105)
Gains (losses) on disposals of non-current assets		—	—
Impairment reversals (losses) on non-current assets		—	—
Operating profit (loss) (EBIT)		**(740)**	**(1,302)**
Net financial income/expense and other from investments		(67)	(125)
Earnings before tax from Discontinued operations/Non-current assets held for sale		**(807)**	**(1,427)**
Income tax expense		—	—
Profit (loss) from Discontinued operations / Non current assets held for sale	**(a)**	**(807)**	**(1,427)**
Economic effects on disposing entities:			
Net capital gain related to disposal		341	—
Incidental charges and other minor items related to the NetCo transaction		(200)	—
Income tax expense related to the disposal		—	—
	(b)	**141**	**—**
Profit (loss) from Discontinued operations / Non current assets held for sale	**(a+b)**	**(666)**	**(1,427)**

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

- NetCo's economic performance (-807 million in 2024; -1,427 million in 2023), whose contribution was completed on July 1, 2024;
- in fiscal year 2024 the gross capital gain related to the sale of the investment in FiberCop S.p.A. (341 million euros) and related incidental expenses (200 million euros). The net capital gain is thus 141 million euros.

It should be recalled that the results of the Business Unit being transferred from TIM S.p.A. to FiberCop S.p.A. do not incorporate in the year 2023 and for the first six months of 2024 the positive impacts resulting from the MSA that took effect as of July 1, 2024 and that regulates the provision of services between the two entities.

On the disposal, NetCo's assets and liabilities were detailed as follows:

NetCo - Assets of a financial nature

(million euros)	
Non-current financial assets	15
Current financial assets	51
of which Cash and cash equivalents	—
Total	**66**

NetCo - Assets of a non-financial nature

(million euros)	
Non-current assets	
Goodwill	*—*
Intangible assets with a finite useful life	*187*
Tangible assets	*4,709*
Rights of use assets	*2,361*
Other non-current assets	*277*
	7,534
Current assets	**1,618**
Total	**9,152**

NetCo - Liabilities of a financial nature

(million euros)	
Non-current financial liabilities	1,851
Current financial liabilities	288
Total	**2,139**

These are financial liabilities for leasing contracts recorded in application of IFRS 16.

NetCo - Liabilities of a non-financial nature

(million euros)	
Non-current liabilities	850
Current liabilities	2,227
Total	**3,077**

Also included in the Statement of Comprehensive Income were 11 million euros in 2024 and -5 million euros in 2023 relating to the recognition of changes in actuarial gains/losses included in the Reserve for remeasurements of defined benefit plans within “Discontinued Operations/Non-current Assets Held for Sale”. Therefore, the total income from “Discontinued Operations/Non-current Assets held for sale” is negative 655 million euros in 2024 and negative 1,432 million euros in 2023.

Within the Statement of Cash Flows, the net impacts of "Discontinued operations/Non-current assets held for sale" are detailed as follows:

(million euros)	2024	2023
Discontinued operations /Non-current assets held for sale:		
Cash flows from (used in) operating activities	(635)	(404)
Cash flows from (used in) investing activities	(388)	(549)
Cash flows from (used in) financing activities	(151)	(298)
Total	**(1,174)**	**(1,251)**

NOTE 14
EQUITY

This item is composed as follows:

(million euros)	12/31/2024	12/31/2023
Share capital issued	**11,677**	**11,677**
less Treasury shares	(53)	(57)
Share capital	**11,624**	**11,620**
Additional paid-in capital	**—**	**575**
Legal reserve	**1,915**	**2,335**
Other reserves	**(194)**	**(379)**
Retained earnings, including profit (loss) for the year	**(1,242)**	**(995)**
Total	**12,103**	**13,156**

Movements in share capital during 2024 are presented in the following tables:

Reconciliation between the number of shares outstanding at 12/31/2023 and at 12/31/2024

(number of shares)		at 12/31/2023	Share assignment/ issue	at Dec 31, 2024	% of Share Capital
Ordinary shares Issued	(a)	15,329,466,496		15,329,466,496	71.78
less: treasury shares	(b)	(105,062,422)	8,619,620	(96,442,802)	
Ordinary shares outstanding	(c)	15,224,404,074	8,619,620	15,233,023,694	
Savings shares issued and outstanding	(d)	6,027,791,699	—	6,027,791,699	28.22
Total shares issued	**(a+d)**	**21,357,258,195**	**—**	**21,357,258,195**	**100.00**
Total shares outstanding	**(c+d)**	**21,252,195,773**	**8,619,620**	**21,260,815,393**	

Reconciliation between the value of shares outstanding at 12/31/2023 and at 12/31/2024

(thousands of euros)		Share capital at Dec 31, 2023	Change in share capital	Share capital at Dec 31, 2024
Ordinary shares Issued	(a)	8,381,330		8,381,330
less: treasury shares	(b)	(57,443)	4,713	(52,730)
Ordinary shares outstanding	(c)	8,323,887	4,713	8,328,600
Savings shares issued and outstanding	(d)	3,295,673		3,295,673
Total share capital issued	**(a+d)**	**11,677,003**	**—**	**11,677,003**
Total share capital outstanding	**(c+d)**	**11,619,560**	**4,713**	**11,624,273**

During 2024, treasury shares decreased by 8,619,620 (4,713 thousand euros) in execution of the second cycle of the Long Term Incentive Plan 2021-2023.

Disclosure on share capital

The ordinary and savings shares of TIM S.p.A. are listed in Italy (FTSE index).

In the shareholder resolutions passed to increase share capital against cash payments, the pre-emption right can be excluded to the maximum extent of ten percent of the pre-existing share capital, on condition that the issue price corresponds to the market price of the shares and that this is confirmed in a specific report issued by the firm charged with the audit of the Company.

The Company sources itself with the capital necessary to fund its requirements for business development and operations; the sources of funds are found in a balanced mix of equity, permanently invested by the shareholders, and debt capital, to guarantee a balanced financial structure and minimize the total cost of capital, with a resulting advantage to all the stakeholders.

Debt capital is structured according to different maturities and currencies to ensure an adequate diversification of the sources of funding and an efficient access to external sources of financing (taking advantage of the best opportunities offered in the financial markets of the euro and U.S. dollar areas to minimize costs), taking care to reduce the refinancing risk.

The remuneration of equity is proposed by the Board of Directors to the Shareholders' Meeting, which meets to approve the annual financial statements, based upon market trends and business performance, once all the other obligations are met, including debt servicing. Therefore, in order to guarantee an adequate remuneration of capital, safeguard company continuity and business development, the Company constantly monitors the change in debt levels in relation to equity, the level of net debt and the operating margin of industrial operations.

Privileges of savings shares

The privileges of TIM S.p.A. savings shares are indicated below:

- the profit shown in the duly approved financial statements, after deducting the amount to be allocated to the legal reserve, must be distributed to the holders of savings shares in an amount up to 5% of the 0.55 euros per share;
- after assigning preferred dividends to the savings shares, the distribution of which is approved by the shareholders' meeting, the remaining profit shall be allocated among all the shares, so that savings shares are entitled to higher overall dividends than ordinary shares would be entitled to, to the extent of 2% of 0.55 euros per share;
- when, in any one year, dividends of below 5% of the 0.55 euros per share are paid to the savings shares, the difference is determined as an increase of the privileged dividend in the next two subsequent years;
- in the event of a distribution of reserves, the savings shares have the same rights as the other shares. Moreover, when there is no profit or insufficient profit is reported in the financial statements for a given year to satisfy the aforesaid savings shares privileges, the Shareholders' Meeting called to approve those financial statements may choose to satisfy the dividend right and/or the higher dividend right by distributing available reserves. The distribution of available reserves for such payments excludes the application of the mechanism extending the right to the preferred dividend not paid through the distribution of profits for the following two years;
- the reduction of share capital as a result of losses does not affect the savings shares except for the amount of the loss which is not covered by the portion of the share capital represented by the other shares;
- upon the wind-up of TIM S.p.A., the savings shares have a pre-emption right in the reimbursement of capital up to the amount of 0.55 euros per share;
- in the event of the cessation of trading in the Company's ordinary or savings shares, the holder of savings shares may ask TIM S.p.A. to convert his/her shares into ordinary shares, using the method selected during a special session of the shareholders' meeting called for that purpose within two months of being excluded from trading.

It bears noting that share capital carries a tax suspension restriction for an amount equal to 1,191 million euros (unchanged compared to December 31, 2023).

The **Share Premium Reserve,** which amounted to 575 million euros as of December 31, 2023, was zero as of December 31, 2024 as a result of covering the loss for the year 2023, as resolved by the Shareholders' Meeting on April 23, 2024.

The **Legal Reserve,** amounting to 1,915 million euros as of December 31, 2024, decreased by 420 compared to December 31, 2023 as a result of the coverage of the loss for the year 2023, as resolved by the Shareholders' Meeting on April 23, 2024. The reserve carries a tax suspension restriction up to 1,415 million euros.

Other reserves totaled a negative value of 194 million euros as of December 31, 2024, a decrease in absolute value of 185 million euros compared to December 31, 2023.

The Other reserves moved through the Statements of Comprehensive Income are broken down as follows:

- Reserve for remeasurements of employee defined benefit plans (negative 60 million euros): decreased, in absolute terms, by 13 million euros compared to December 31, 2023, following actuarial gains on severance pay for the 2024 financial year;
- Reserve for hedging instruments (negative 162 million euros, down 165 million euros in absolute terms compared to December 31, 2023): this reserve is related to the accounting of cash flow hedge transactions. In particular, it refers to unrealized gains and losses, net of the related tax effect, arising from the fair value adjustment of the financial instruments designated as cash flow hedges;
- Reserve for financial assets measured at fair value through other comprehensive income (positive for 14 million euros): this reserve increased by 11 million euros compared to December 31, 2023.

The Other reserves also include:

- Reserve for other equity instruments: totaled 4 million euros (down 16 million euros from December 31, 2023) and relates to the 2022-2024 Stock Option Plan approved by the Shareholders' Meeting on April 7, 2022. The decrease compared to last year is substantially attributable to the fact that during 2024 a number of shares amounting to 8,619,620 were granted in execution of the second cycle 2021-2023 of the Long Term Incentive Plan 2020-2022, which was approved by the Shareholders' Meeting on April 23, 2020, and consequently the related reserve (amounting to 17 million euros as of December 31, 2023) was fully released.

  For further details, refer to the Note 38 “Equity Compensation Plans”.
- Other reserves: totaled 10 million euros, an increase of 12 million euros compared to December 31, 2023 due to the allocation of treasury shares in execution of the second cycle 2021-2023 of the Long Term Incentive Plan.

Retained earnings (accumulated losses), including result for the year, was negative for 1,242 million euros at December 31, 2024 (negative for 995 million euros at December 31, 2023) and refer to the 2024 loss.

The following statement provides additional disclosure on equity and is prepared pursuant to Article 2427, number 7-bis, showing the items in equity separately according to their source, possibility of utilization and distribution, in addition to their utilization in the three-year period 2022-2024.

Summary pursuant to Article 2427, no. 7-bis

Nature/description	Amount as of 12/31/2024	Potential utilization	Amount available	Summary of utilizations made in the three-year period 2022-2024	
(million euros)				for loss coverage	for other reasons
Share capital	**11,624**				
Capital reserves:					
Additional paid-in capital	—		—	2,133	
Legal reserve	1,533	B	—	420	
Reserve for other equity instruments	4	B	—		
Reserve for remeasurements of defined benefit plans	57	A,B,C	57		
Profit reserves:					
Legal reserve	382	B	—		
Other reserves	12	A,B,C	12		
Reserve for hedging instruments and related underlying instruments	(162)		—		
Reserve for available-for-sale financial assets	14	B	—		
Reserve for remeasurements of defined benefit plans	(117)	A,B,C	(117)		
Total	**13,347**		**(48)**	**2,553**	**—**
Treasury shares			(54)		
Residual distributable percentage			**(102)**		

Key:
A = for increases in capital;
B = for loss coverage;
C = for distribution to shareholders

The table below shows the restrictions, relating to off-book tax deductions effected for income tax purposes in past years, pursuant to Article 109, subsection 4, letter b) of TUIR:

(million euros)

Off-book deductions at 12/31/2023	**17**
Reversal for taxation during the year	(1)
Share contributed as part of the NetCo transaction	(15)
Off-book deductions at 12/31/2024	**1**
Deferred taxes	—
Restriction on equity at 12/31/2024	**1**

In this regard, a restriction was imposed on all equity reserves, without distinction, for an amount equal to the off-book deductions net of the related deferred taxes. This restriction remains until such time as the excess tax deductions and consequent taxation are recovered in the books.

More specifically, it should be noted that a restriction of 15 million euros was conferred as part of the NetCo transaction, in connection with the transfer of the underlying assets.

Therefore, taking into account the residual deductions effected in prior years and not covered by the fiscal realignment carried out in accordance with Italian Law 244 dated December 24, 2007, the total restriction on equity in the financial statements amounts to 1 million euros.

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 December 31, 2024:

	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	257,763,000	109,292		0.424
Total	**257,763,000**	**109,292**		

Further information is provided in Note 15 “Non-current and current financial liabilities” and Note 38 “Equity compensation plans”.

NOTE 15

NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

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

(million euros)		12/31/2024	12/31/2023
Non-current financial liabilities for financing contracts and others			
Non-current financial payables:			
Bonds		4,123	9,445
Amounts due to banks		580	3,634
Payables to other lenders		33	10
Payables due to subsidiaries		1,968	3,864
		6,704	**16,953**
Other non-current financial liabilities:			
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		170	398
Non-hedging derivatives		490	741
Other liabilities		1	2
		661	**1,141**
	(a)	**7,365**	**18,094**
Non-current financial liabilities for lease contracts			
Payables to subsidiaries		16	21
Payables to third parties		628	2,689
	(b)	**644**	**2,710**
Total non-current financial liabilities	**c=(a+b)**	**8,009**	**20,804**
Current financial liabilities for financing contracts and others			
Current financial payables:			
Bonds		2,127	3,007
Amounts due to banks		813	794
Payables to other lenders		242	224
Payables due to subsidiaries		1,588	1,845
Payables to associates		1	2
		4,771	**5,872**
Other current financial liabilities:			
Hedging derivatives relating to hedged items classified as current assets/liabilities of a financial nature		7	32
Non-hedging derivatives		47	79
Other liabilities		—	—
		54	**111**
	(d)	**4,825**	**5,983**
Current financial liabilities for lease contracts			
Payables to subsidiaries		3	38
Payables to third parties		228	429
	(e)	**231**	**467**
Total Current financial liabilities	**f=(d+e)**	**5,056**	**6,450**
Total financial liabilities (Gross Financial Debt)	**g=(c+f)**	**13,065**	**27,254**

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

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

	12/31/2024		12/31/2023	
	(millions in foreign currency)	(million euros)	(millions in foreign currency)	(million euros)
USD	500	481	2,515	2,276
JPY	20,000	123	20,000	128
EUR		12,461		24,850
Total		**13,065**		**27,254**

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

(million euros)	12/31/2024	12/31/2023
Up to 2.5%	1,504	2,541
From 2.5% to 5%	6,715	9,555
From 5% to 7.5%	2,186	10,241
From 7.5% to 10%	1,727	3,225
Over 10%	—	3
Accruals/deferrals, MTM and derivatives	933	1,689
Total	**13,065**	**27,254**

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

(million euros)	12/31/2024	12/31/2023
Up to 2.5%	2,179	4,711
From 2.5% to 5%	5,665	7,929
From 5% to 7.5%	2,561	8,706
From 7.5% to 10%	1,727	4,216
Over 10%	—	3
Accruals/deferrals, MTM and derivatives	933	1,689
Total	**13,065**	**27,254**

The maturities of financial liabilities according to the expected nominal repayment amount, as defined by contract, are the following:

	maturing by 12/31 of the year:						
(million euros)	2025	2026	2027	2028	2029	After 2029	Total
Bonds	2,000	1,053	742	1,375	499	440	6,109
Loans and other financial liabilities	1,040	81	381	13	267	2,162	3,944
Finance lease liabilities	194	119	111	98	118	198	838
Total	**3,234**	**1,253**	**1,234**	**1,486**	**884**	**2,800**	**10,891**
Current financial liabilities	1,569	—	—	—	—	—	1,569
Total	**4,803**	**1,253**	**1,234**	**1,486**	**884**	**2,800**	**12,460**

The main components of financial liabilities are commented below.

Bonds are broken down as follows:

(million euros)	12/31/2024	12/31/2023
Non-current portion	4,123	10,118
Current portion	2,127	2,668
Total carrying amount	**6,250**	**12,786**
Fair value adjustment and measurements at amortized cost	(141)	(287)
Total nominal repayment amount	**6,109**	**12,499**

The nominal repayment amount of bonds totaled 6,109 million euros, down 6,390 million euros compared to December 31, 2023 (12,499 million euros) as a result of the repayments during 2024 and the sale of NetCo.

The change in bonds during 2024 was as follows:

Repayments

(millions in original currency)	Currency	Amount	Repayment date
Telecom Italia S.p.A. 450 million euros 3.625%	Euro	450	1/19/2024
Telecom Italia S.p.A. 950 million euros 4.000%	Euro	950	4/11/2024
Telecom Italia S.p.A. 1,500 million USD 5.303%	USD	1,500	5/30/2024

In April 2024, TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A made an Offer to Exchange Existing EUR and USD denominated Notes for New Notes to Bondholders in preparation for the Netco transaction. Exchange operations concluded in May 2024.

The new bonds have substantially the same terms as the corresponding series of original bonds, including in terms of their maturity, interest rate, interest payment dates and restrictive covenants, with the exception of the clause for the exchange of new bonds to Optics BidCo S.p.A. ("Optics") on the date of the completion of the NetCo transaction.

The table below summarizes the notes still with TIM S.p.A. and those subsequently transferred to Optics on July 1, 2024:

Currency	Nominal value of original notes	Coupon	Maturity date	TIM S.p.A. original notes (nominal value)	New Notes transferred to Optics (nominal value)
Bonds issued by TIM S.p.A.					
Euro	750,000,000	2.875%	1/28/26	375,000,000	375,000,000
Euro	1,000,000,000	3.625%	5/25/26	677,997,000	322,003,000
Euro	1,250,000,000	2.375%	10/12/27	742,285,000	507,715,000
Euro	1,250,000,000	6.875%	2/15/28	625,000,000	625,000,000
Euro	1,500,000,000	7.875%	7/31/28	750,000,000	750,000,000
Euro	1,000,000,000	1.625%	1/18/29	499,180,000	500,820,000
Euro	670,000,000	5.250%	3/17/55	440,000,000	230,000,000

The following table lists the bonds issued by TIM S.p.A., expressed at the nominal repayment amount, net of bond buy-backs, and also at market value:

Currency	Total (millions)	Nominal repayment amount	Coupon	Issue date	Maturity date	Issue price (%)	Market price at December 31, 2024	Market value at December 31, 2024
Bonds issued by TIM S.p.A.								
Euro	1,000	1,000	2.750%	15/4/19	15/4/25	99.320	99.653	996
Euro	1,000	1,000	3.000%	30/9/16	30/9/25	99.806	99.676	997
Euro	375	375	2.875%	28/6/18	1/28/26	100	100.285	376
Euro	678	678	3.625%	25/5/16	5/25/26	100	101.275	687
Euro	742	742	2.375%	12/10/17	10/12/27	99.185	99.332	737
Euro	625	625	6.875%	27/1/23	2/15/28	(*) 100.240	109.394	684
Euro	750	750	7.875%	20/7/23	7/31/28	(*) 100.998	113.346	850
Euro	499	499	1.625%	1/18/21	1/18/29	99.074	94.100	470
Euro	440	440	5.250%	17/3/05	3/17/55	99.667	101.298	446
Total		**6,109**						**6,243**

The regulations and/or Offering Circulars relating to the bonds described above are available on the corporate website at the address: gruppotim.it.

Non-current **amounts due to banks** amounted to 580 million euros (3,634 million euros as of December 31, 2023), in particular, the early repayment on July 10, 2024 of the syndicated and SACE-guaranteed 2 billion euros line subscribed by TIM S.p.A. on July 6, 2022. Short-term payables to banks totaled 813 million euros (794 million euros at December 31, 2023) and refer to the current portion of non-current amounts due to banks.

Non-current payables to other lenders amounted to 33 million euros (10 million euros as of December 31, 2023), while current payables to other lenders amounted to 242 million euros (224 million euros as of December 31, 2023) and included 43 million euros of the current portion of non-current payables to other lenders.

Non-current payables to subsidiaries amounted to 1,968 million euros (3,864 million euros at December 31, 2023) and consisted of loans obtained from Telecom Italia Capital S.A. (1,199 million euros) and from Telecom Italia Finance S.A. (769 million euros), following the issues of bonds placed by the financial companies of the Group on the United States and Luxembourg markets; specifically, the reduction compared to December 31, 2023 is due to the closing of intercompany loans with Luxembourg companies totaling 1.9 billion euros as part of the Exchange transaction with Optics.
Current payables to subsidiaries amounted to 1,588 million euros and decreased by 257 million euros compared to December 31, 2023 (1,845 million euros). They include:

- the current portion of medium/long-term loans to Telecom Italia Capital S.A. (217 million euros) and Telecom Italia Finance S.A. (23 million euros);
- short-term loans to Telecom Italia Capital S.A. (200 million euros) and Telecom Italia Finance S.A. (872 million euros);
- current accounts as part of the treasury services regulated at market rates for a total of 276 million euros, particularly with TIM Retail S.r.l. (66 million euros), Telecom Italia Sparkle S.p.A. (62 million euros), Telecom Italia Ventures (61 million euros), Telecontact Center S.p.A. (36 million euros), Telsy S.p.A. (17 million euros), Telecom Italia Trust Technology (15 million euros), TIM Broker S.r.l. (12 million euros), Olivetti S.p.A. (7 million euros).

Non-current financial liabilities for lease contracts amounted to 644 million euros (2,710 million euros as of December 31, 2023). Current financial liabilities for lease contracts amounted to 231 million euros (467 million euros at December 31, 2023) and referred for 205 million euros to the current portion of non-current financial liabilities for lease contracts.

With reference to the financial lease liabilities net of Discontinued Operations recognized in 2024 and 2023, the following is noted:

(million euros)	2024	2023
Principal reimbursements	101	92
Cash out interest portion	55	42
Total	**156**	**134**

Hedging derivatives relating to hedged items classified as non-current financial liabilities amounted to 170 million euros (398 million euros at December 31, 2023). Hedging derivatives relating to hedged items classified as current financial liabilities amounted to 7 million euros (32 million euros at December 31, 2023).

Non-current non-hedging derivatives amounted to 490 million euros (741 million euros at December 31, 2023). **Current non-hedging derivatives** amounted to 47 million euros (79 million euros at December 31, 2023). These line items include the measurement in the liabilities of transactions which TIM S.p.A. carries out with banking counterparties to service the companies of the Group in its exclusive role as the centralized treasury function (cash pooling), and are offset in full by the corresponding items classified as financial assets.

Further details are provided in Note 18 "Derivatives".

Covenants, negative pledges and other contract clauses in effect at December 31, 2024

Bonds issued by TIM S.p.A. do not contain financial covenants (e.g. ratios such as Debt/EBITDA, EBITDA/ Interest, etc.) or clauses that result in the automatic early redemption of the bonds in relation to events other than the insolvency of the TIM Group; Furthermore, the bond issues and payment of interest are not backed by specific guarantees, nor are there any commitments to issue future guarantees.

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 took out a loan of 230 million euros to support national digitalization projects (for which early repayment was made in full on November 15, 2024) and 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 new loan with the EIB for 360 million euros, partially guaranteed by SACE.

Therefore, at December 31, 2024 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.

Finally, as at December 31, 2024, 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(*) available at December 31, 2024:

(billions of euros)	12/31/2024		12/31/2023	
	Agreed	Drawn down	Agreed	Drawn down
Sustainability-linked RCF – May 2026	4.0	—	4.0	—
Total	**4.0**	**—**	**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).

TIM's rating at December 31, 2024

At December 31, 2024, 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	Ba3	positive
FITCH RATINGS	BB	stable

NOTE 16
NET FINANCIAL DEBT

The table below shows the breakdown of net financial debt of the TIM Group at December 31, 2024 and December 31, 2023, 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 TIM S.p.A..

(million euros)		12/31/2024	12/31/2023
Liquid assets with banks, financial institutions and post offices	(a)	(732)	(560)
Other cash and cash equivalents	(b)	(88)	(38)
Securities other than investments	(c)	—	—
Liquidity	**(d=a+b+c)**	**(820)**	**(598)**
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(e)	1,574	1,830
Current portion of non-current financial debt	(f)	3,435	4,481
Current financial debt	**(g=e+f)**	**5,009**	**6,311**
Net current financial debt	**(h=g-d)**	**4,189**	**5,713**
Non-current financial debt (excluding current portion and debt instruments)	(i)	3,350	10,560
Debt instruments	(j)	4,123	9,445
Trade payables and other non-current debt	(k)	1	1
Non-current financial debt	**(L=I+J+K)**	**7,474**	**20,006**
Total net financial debt as per ESMA guidelines 32-382-1138	**(m=h+l)**	**11,663**	**25,719**
Trade payables and other non-current debt (**)		(1)	(1)
Non-current financial receivables arising from lease contracts		(14)	(6)
Current financial receivables arising from lease contracts		(26)	(68)
Financial receivables and other current financial assets		(399)	(893)
Other financial receivables and other non-current financial assets		(1,043)	(3,087)
Subtotal	**(n)**	**(1,483)**	**(4,055)**
Net financial debt carrying amount (*)	(p=m+n)	**10,180**	**21,664**
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(q)	(265)	(515)
Adjusted Net Financial Debt	**(r=p+q)**	**9,915**	**21,149**

(*) 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".

The following additional disclosures are provided in accordance with IAS 7:

Additional cash flow information required by IAS 7

(million euros)		12/31/2023	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	12/31/2024
Financial payables (medium/long-term):								
Bonds		12,452		(2,787)	30	(32)	(3,413)	6,250
Amounts due to banks		4,428	1,800	(4,825)			(10)	1,393
Other financial payables		4,149	200	(232)	24		(1,858)	2,283
	(a)	**21,029**	**2,000**	**(7,844)**	**54**	**(32)**	**(5,281)**	**9,926**
of which short-term		*4,076*						*3,223*
Non-current financial liabilities for lease contracts		**3,143**	**—**	**(101)**			**(2,193)**	**849**
	(b)	**3,143**	**—**	**(101)**	**—**	**—**	**(2,193)**	**849**
of which short-term		*433*						*205*
Other medium/long-term financial liabilities:								
Hedging derivatives relating to hedged items classified as non-current assets/liabilities of a financial nature		430			(15)	(229)	(9)	177
Non-hedging derivative liabilities		820			(25)	(227)	(31)	537
Other financial liabilities		2					—	2
	(c)	**1,252**	**—**	**—**	**(40)**	**(456)**	**(40)**	**716**
of which short-term		*111*						*54*
Short-term financial liabilities:								
Other financial payables		1,830					(256)	1,574
	(d)	**1,830**	**—**	**—**	**—**	**—**	**(256)**	**1,574**
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale		—	—	(151)	—	—	151	—
	(e)	—	—	(151)	—	—	151	—
Total financial liabilities (Gross financial debt)								
	(f=a+b+c+d+e)	**27,254**	**2,000**	**(8,096)**	**14**	**(488)**	**—**	**13,065**
Hedging derivative receivables relating to hedged items classified as current and non-current assets/liabilities of a financial nature	**(g)**	139	—	—	(56)	—	(7)	76
Non-hedging derivative receivables	**(h)**	799			(25)	(238)	(29)	507
Total	**(i=f-g-h)**	**26,316**	**2,000**	**(8,096)**	**95**	**(250)**	**36**	**12,482**

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)	2024	2023
Interest expense paid	(1,597)	(1,674)
Interest income received	645	749
Net total	**(952)**	**(925)**

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)	2024	2023
Interest expense paid	(1,508)	(1,516)
Interest income received	556	591
Net total	**(952)**	**(925)**

NOTE 17
FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies of TIM S.p.A.

As reported in the Note "Financial Risk Management" of the TIM Group consolidated financial statements, TIM S.p.A. adheres to the Guidelines on "Management and control of financial risk" established for the Group.
The risk management policies of TIM S.p.A. observe the policies for the diversification of risks identified for the Group.
An optimum fixed-rate and variable-rate debt composition is defined for the entire Group and is not established for the individual companies.
As for the exchange rate risk on financial payables contracted by TIM S.p.A. denominated in currencies other than euro, such risk is hedged in full.
Derivative financial instruments are designated as fair value hedges for managing exchange rate and interest rate risk on instruments denominated in currencies other than euro and for managing interest rate risk on fixed-rate loans in euros. Derivative financial instruments are designated as cash flow hedges when the objective is to pre-set the exchange rate of future transactions and the interest rate.
All derivative financial instruments are entered into with leading banking and financial counterparts whose credit ratings are constantly monitored to reduce the credit risk.
TIM S.p.A. has current account transactions with subsidiaries, as part of its treasury services which are conducted at market rates, and multi-year loan agreements with them which are also at market rates.

Interest rate risk: sensitivity analysis

The change in interest rates on the variable component of payables and liquidity may lead to higher or lower finance income and expenses, while the changes in the level of the expected interest rate affect the fair value measurement of TIM S.p.A. derivatives. Specifically:

- with regard to derivatives that convert the liabilities contracted by TIM S.p.A. to fixed rates (cash flow hedging), in line with international accounting standards that regulate hedge accounting, the fair value (mark-to-market) measurement of such instruments is set aside in a specific unavailable Equity reserve. The combined change of the numerous market variables to which the mark-to-market calculation is subject between the transaction inception date and the measurement date renders any assumption about the trend of the variables of little significance. As the contract expiration date approaches, the accounting effects described will gradually be absorbed until they cease to exist;
- if, at December 31, 2024, the interest rates in the various markets in which TIM S.p.A. operates had been 100 basis points higher/lower compared to the actual rates, then higher/(lower) finance expenses, before the income tax effect, would have been recognized in the income statement for 12 million euros (26 million euros at December 31, 2023).

Refer to Note 2 "Accounting Policies" for the potential risk generated by the reform of benchmark interest rates.

Allocation of the financial structure between fixed rate and variable rate

As for the allocation of the financial structure between the fixed-rate component and the variable-rate component, for both financial assets and liabilities, reference should be made to the following tables. In the tables below we took into account the nominal repayment/investment amount (because that amount expresses the effective interest rate exposure of the Group) and, as far as financial assets are concerned, the intrinsic nature (financial characteristics and duration) of the transactions under consideration rather than just the stated contractual terms alone. Bearing that in mind, a transaction whose characteristics (short or very short time frame and frequent renewal) are such that the interest rate is periodically reset on the basis of market parameters, even though the contract does not call for re-fixing the interest rate (such as in the case of bank deposits, Euro Commercial Papers and receivables on sales of securities), has been considered in the category of variable rate.

Total Financial liabilities (at the nominal repayment amount)

(million euros)	12/31/2024			12/31/2023		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Bonds	6,109	—	6,109	12,177	—	12,177
Loans and other financial liabilities	3,529	1,253	4,782	7,695	4,204	11,899
Total non-current financial liabilities (including the current portion of medium/long-term financial liabilities)	**9,638**	**1,253**	**10,891**	**19,872**	**4,204**	**24,076**
Total current financial liabilities	**226**	**1,343**	**1,569**	**258**	**1,562**	**1,820**
Total	**9,864**	**2,596**	**12,460**	**20,130**	**5,766**	**25,896**

Total Financial assets (at the nominal investment amount)

(million euros)	12/31/2024			12/31/2023		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Cash and cash equivalents	—	819	819	—	598	598
Other receivables	1,311	535	1,846	1,927	2,568	4,495
Total	**1,311**	**1,354**	**2,665**	**1,927**	**3,166**	**5,093**

With regard to variable-rate financial instruments, the contracts provide for revisions of the related parameters to take place within the subsequent 12 months.

Effective interest rate

As to the effective interest rate, for the categories where that parameter can be determined, such parameter refers to the original transaction net of the effect of any derivative hedging instruments. The disclosure, which is provided by class of financial asset and liability, has been determined, for purposes of calculating the weighted average, using the carrying amount adjusted by accruals, prepayments, deferrals and fair value adjustments: this is therefore the amortized cost, net of accruals and any changes in fair value, as a consequence of hedge accounting.

Total Financial Liabilities

(million euros)	12/31/2024		12/31/2023	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Bonds	6,104	4.15	12,147	4.50
Loans and other financial liabilities	6,027	4.37	13,419	5.24
Total	**12,131**	**4.26**	**25,566**	**3.66**

Total Financial assets

(million euros)	12/31/2024		12/31/2023	
	Adjusted carrying amount	Effective interest rate (%)	Adjusted carrying amount	Effective interest rate (%)
Cash and cash equivalents	819	2.30	598	1.34
Other receivables	1,471	4.07	4,039	5.09
Total	**2,290**	**3.44**	**4,637**	**4.60**

As for financial assets, the weighted average effective interest rate is not essentially influenced by the existence of derivatives.

As for market risk management using derivatives, reference should be made to the Note "Derivatives".

Credit risk

Credit risk represents TIM's exposure to possible losses arising from the failure of commercial or financial counterparties to fulfill their obligations. To measure this risk over time for impairment of financial assets (trade receivables due from customers included), the introduction of IFRS 9 required switching from the incurred loss model pursuant to IAS 39 to the expected credit loss model.

Such risk stems principally from economic and financial factors, or from the possibility that a default situation of a counterparty could arise, or from more strictly technical, commercial or administrative factors.

TIM's maximum theoretical exposure to credit risk is represented by the carrying amount of the financial assets and trade receivables recorded in the financial statements, excluding guarantees received, described in the Note "Contingent liabilities, other information, commitments and guarantees".

Risk related to trade receivables is managed using customer scoring and analysis systems. For specific categories of trade receivables, the Group also makes use of factoring, mainly on a "non-recourse" basis.

In referring to the details indicated in the Note "Trade and miscellaneous receivables and other current assets", it should be pointed out that the provision for bad debts is raised on specific credit positions that present peculiar risk elements. On credit positions that do not have such characteristics, provisions are raised by customer segment according to the average uncollectibility estimated on the basis of statistical indicators.

Financial assets other than trade receivables are written down for impairment on the basis of a general model which recognizes expected credit losses over the following 12 months, or over the residual life of the asset in the event of a substantial worsening of its credit risk. The expected credit loss is calculated based on the default probability and the percentage of credit that cannot be recovered in the event of a default (the loss given default).

The model adopted to calculate the expected credit loss is based on the Bloomberg Credit Risk Model, a model developed by Bloomberg which, starting from Merton's distance-to-default ("DD") concept, estimates the probability of default together with the recovery rate. At the same time, the loss given default is defined as the non-recoverable component of the post-default financial asset.

In particular, the DD - based on balance sheet data - is enriched with a series of additional information by country (macroeconomic, risk), business sector and individual company, as well as accounting adjustments aimed at ensuring uniformity of the model's outputs; finally, through a non-linear function of the DD, the default probability is obtained.

In order to improve credit risk management and relieve pressure on working capital, with specific reference to the offers for the Consumer and Small Business market involving the option of paying for products by installments, starting 2021, the company TIMFin has been operating, the result of the corporate joint venture between Santander Consumer Bank (SCB) and TIM.

Moreover, again for the credit risk relating to the asset components which contribute to the determination of Net financial debt it should be noted that, as per Group policy, the management of the liquidity of TIM S.p.A. is guided by conservative criteria and is principally based on money market management. As part of this management, investments are made during the year with temporary excess cash resources, which are expected to turn around within the subsequent 12-month period.

In order to limit the risk of non-fulfillment of the obligations undertaken by the counterparty, deposits were made with banking and financial institutions with a rating no lower than investment grade and non-negative outlook. Moreover, the terms of deposits are shorter than three months.

As concerns the credit risk relating to the current asset components and with particular reference to the trade receivables, the risk is managed on two levels:

- operational management along the entire process chain, starting from the checks during acquisition and continuing to the internal management checks of still active customers and the subsequent service interruption stages, contractual termination and assignment to specific institutions specialized in credit collection;
- management of specific securitization programs rather than of non-recurring disposals, most of which non-recourse in nature.

Liquidity risk

TIM S.p.A. pursues the Group's objective of achieving an adequate level of financial flexibility.

Current financial assets at December 31, 2024, together with unused committed bank lines, ensure complete coverage of debt repayment obligations for the next 12 months.

As of December 31, 2024, the available liquidity margin for TIM S.p.A. was 4,820 million euros (4,598 million euros at the end of 2023).

39% of gross financial debt at December 31, 2024 (nominal repayment amount) will become due in the next 12 months.

The following tables report the contractual cash flows, not discounted to present value, relating to gross financial debt at nominal repayment amounts and the interest flows, determined using the terms and the interest and exchange rates in place at December 31, 2024. The portions of principal and interest of the hedged liabilities included both the disbursements and the receipts of the related hedging instruments.

Financial liabilities – Maturities of contractually expected disbursements

(million euros)		maturing by 12/31 of the year: 2025	2026	2027	2028	2029	Over 2029	Total
Bonds	Principal	2,000	1,053	742	1,375	499	440	6,109
	Interest portion	246	186	151	112	31	601	1,327
Loans and other financial liabilities (*)	Principal	1,040	81	381	13	227	1,826	3,568
	Interest portion	266	229	181	180	160	826	1,842
Finance lease liabilities	Principal	194	119	111	98	118	198	838
	Interest portion	40	32	28	26	20	48	194
Non-current financial liabilities(*)	**Principal**	**3,234**	**1,253**	**1,234**	**1,486**	**844**	**2,464**	**10,515**
	Interest portion	**552**	**447**	**360**	**318**	**211**	**1,475**	**3,363**
Current financial liabilities(**)	**Principal**	**1,569**	**—**	**—**	**—**	**—**	**—**	**1,569**
	Interest portion	**40**	**—**	**—**	**—**	**—**	**—**	**40**
Total	**Principal**	**4,803**	**1,253**	**1,234**	**1,486**	**844**	**2,464**	**12,084**
	Interest portion	**592**	**447**	**360**	**318**	**211**	**1,475**	**3,403**

(*) These include hedging instruments, but exclude centrally managed non-hedging derivatives.

(**) Excluding centrally managed non-hedging derivative instruments.

Derivatives on financial liabilities – Contractually expected interest flows

(million euros)	maturing by 12/31 of the year: 2025	2026	2027	2028	2029	Over 2029	Total
Disbursements	55	57	57	57	57	203	486
Receipts	(45)	(43)	(43)	(42)	(42)	(167)	(382)
Hedging derivatives – net (receipts) disbursements	**10**	**14**	**14**	**15**	**15**	**36**	**104**
Disbursements	173	170	170	170	162	1,044	1,889
Receipts	(163)	(160)	(160)	(160)	(161)	(1,048)	(1,852)
Non-Hedging derivatives – net (receipts) disbursements	**10**	**10**	**10**	**10**	**1**	**(4)**	**37**
Total net disbursements (receipts)	**20**	**24**	**24**	**25**	**16**	**32**	**141**

In order to name the Parent as the sole counterparty of the banking system, all the derivatives of the Group, except for those relating to one banking counterparty, have been centralized under TIM S.p.A.. In the TIM S.p.A. financial statements, this centralization has resulted in the presence of two non-hedging derivatives for each centralized transaction (one with the bank and the other for the same amount and opposite sign with the company of the Group), while the hedging relationship remains with the subsidiary and the Group.

The flows relating to the non-hedging derivatives that were placed under centralized management have therefore been excluded both from the analysis by maturity of contractually expected disbursements for financial liabilities and from the analysis by maturity of contractually expected interest flows for derivatives, because the positions are fully netted with one another and, consequently, are not significant for the analysis of liquidity risk.

Market value of derivative instruments

In order to determine the fair value of derivatives, the TIM Group uses various valuation models. The mark-to-market calculation is determined by discounting to present value the interest and notional future contractual flows using market interest rates and exchange rates.

The notional amount of IRS does not represent the amount exchanged between the parties and therefore does not constitute a measurement of credit risk exposure which, instead, is limited to the amount of the differential between the interest rates paid/received. The market value of CCIRSs, instead, also depends on the differential between the reference exchange rate at the date of signing the contract and the exchange rate at the date of measurement, since CCIRSs imply the exchange of the reference interest and principal, in the respective currencies of denomination.

The options are measured according to the Black & Scholes or Binomial models and involve the use of various measurements factors, such as: time horizon of the life of the option, risk-free rate of return, current price, volatility and any cash flows (e.g. dividends) of the underlying instrument, and exercise price. TIM S.p.A.

NOTE 18
DERIVATIVES

Derivative financial instruments are used by TIM S.p.A. to hedge its exposure to foreign exchange rate and interest rate risks and also to diversify the parameters of debt so that costs and volatility can be reduced to within predetermined operational limits.

Derivative financial instruments at December 31, 2024 are principally used to manage debt positions. They include interest rate swaps (IRS) to reduce interest rate exposure on fixed-rate and variable-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 different foreign currencies to the functional currency.

IRS transactions, at specified maturity dates, provide for the exchange of flows of interest with the counterparties, 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 carrying out its role as the Treasury function of the Group and with the aim of centralizing all exposures with banking counterparties in just one entity (i.e. TIM S.p.A. pooling), TIM has non-hedging derivative contracts signed with banks and mirror intercompany derivative contracts with Telecom Italia Capital S.A. and Telecom Italia Finance S.A., for a notional value of 2,681 million euros.The balance of asset and liability measurements of these contracts is equal to zero.

Hedges: economic relationship between underlying instrument and derivatives

The hedge relationships documented in hedge accounting at TIM S.p.A. belong to three categories: i) hedging of the cash flows coming from the coupon flow of bond issues denominated in currencies other than euro, ii) hedging of the cash flows coming from the flow of floating interest on intercompany loans denominated in euro, iii) hedging of the cash flows coming from the flow of floating interest on intercompany loans denominated in foreign currency.

In the first case, the hedged risk is represented by the variability in cash flows (and the repayment of the nominal amount) generated by exchange rates; hedging comprises combinations of IRS and CCIRS that synthetically transform fixed rate foreign currency income flows into fixed rate euro flows. In this case, exchange rate fluctuations will usually produce contrary effects on the underlying asset and on the derivative, as the asset leg of the latter faithfully reflects the underlying asset, while the liability leg is denominated in euro and is therefore insensitive to the exchange rate.

In the second case, the hedged risk is the variability of the cash flow against the performance of Euro market interest rates. The hedging is done with IRSs, which allow a variable flow of interest to be collected against the payment of a fixed rate interest flow. The current value of the underlying asset and derivatives depends on the structure of the Euro market interest rates. The fluctuations of rates generate an impact on the nominal amount of the flow of floating rate interest of the loan (only partially corrected by the discounting effect); on the derivative, there are changes in the discount factors of the flow of fixed interest expense and changes in the nominal flow of floating interest income (only partially corrected by the discounting effect). The effects induced on the derivative are of a single and contrary nature with respect to those on the underlying asset.

In the third case, the hedged risk is the variability of cash flows (including the nominal amount to be repaid) induced by the exchange rate in addition to the market interest rates in foreign currency; the hedging consists of IRS and CCIRS derivatives which turn the floating rate in foreign currency into a Euro fixed rate. In this case, exchange rate fluctuations (in addition to fluctuations in the interest rates in foreign currency) will produce physiologically opposite effects on the underlying asset and on the derivative, because the asset leg of the latter faithfully reflects the underlying asset, while the liability leg is denominated in euros and is therefore insensitive to the exchange rate (and to the interest rates in foreign currency). The impacts caused, on the other hand, by the Euro interest rates on the liability leg of the derivative are restricted to just discounting.

Hedges: determination of the hedge ratio

The types of hedging implemented by the Group require the adoption of a hedge ratio equal to 1:1, as the types of risk hedged (interest rate and exchange rate risks) are such as to generate economic effects in the underlying instruments that can only be offset by the same notional quantities of derivative instruments.

Hedges: potential sources of ineffectiveness

The contractualization of derivatives to hedge financial risks takes place at arm's length and aims to completely neutralize the effects produced by such instruments.

However, in practice, hedges (although financially perfect) may not guarantee an absolute accounting effectiveness due to the many counterparty banks involved, to the peculiar nature of certain derivatives in terms, for example, of fixing and/or indexing of variable parameters, and to the possible imperfect coincidence between critical terms.

The first table indicates total financial derivatives of TIM S.p.A. at December 31, 2024 and 2023; in compliance with standard IFRS 7, notional amounts are shown with reference to all the derivative instruments involved in the hedges.

The following tables break down 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, for IRS in a currency other than the euro, the value is indicated at the market exchange rate.

Type	Hedged risk	Notional amount at 12/31/2024	Notional amount at 12/31/2023	Mark to Market Spot (*) (Clean Price) at 12/31/2024 (million euros)	Mark to Market Spot (*) (Clean Price) at 12/31/2023 (million euros)
Interest rate swaps	Interest rate risk		—	—	
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	—	—	—	—
Total Fair Value Hedge Derivatives		**—**	**—**	**—**	**—**
Interest rate swaps	Interest rate risk	959	1,760	(143)	(259)
Cross Currency and Interest Rate Swaps (CCIRS)	Interest rate risk and currency exchange rate risk	599	2,344	(17)	(89)
Total Cash Flow Hedge Derivatives		**1,558**	**4,104**	**(160)**	**(348)**
Total Non-Hedge Accounting Derivatives		**100**	**500**	**(27)**	**(16)**
Total TIM derivatives		**1,658**	**4,604**	**(187)**	**(364)**

(*) Spot Mark-to-market above represents the market measurement of the derivative net of the accrued portion of the flow in progress.

Fair value hedges (million euros)	Accounting item		Notional value	Carrying amount	Change in fair value for the year
Interest rate swaps	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/ non-current assets	a)	—	—	—
Assets				—	
Liabilities				—	
Cross Currency and Interest Rate Swaps (CCIRS)	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/ non-current assets	b)	—	—	—
Assets				—	
Liabilities				—	
Derivative instruments (spot value)		a)+b)	—	—	—
Accruals					
Derivative instruments (gross value)					
Underlying instruments [(1)]	Bonds - Current/non-current liabilities				
of which fair value adjustment	Fair value adjustment and measurements at amortized cost	c)	—	—	—
Ineffectiveness		a)+b)+c)	—	—	—
Fair value adjustment for hedging settled in advance [(2)]				(23)	

(1) Includes the amortized cost value of bonds currently hedged plus the fair value adjustment.

(2) Referred to bonds no longer hedged, which are therefore not presented in the table.

Cash flow hedges (million euros)	**Accounting item**		**Notional value**	**Carrying amount**	**Change in fair value**	**Change in cumulative fair value**
Interest rate swaps	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets	a)	**959**	**(143)**	**116**	
Assets				—		
Liabilities				(143)	116	
Cross Currency and Interest Rate Swaps (CCIRS)	Hedging derivatives relating to hedged items classified as current financial assets/liabilities - Current/non-current assets	b)	**599**	**(17)**	**72**	
Assets				45	(49)	
Liabilities				(62)	121	
Derivative instruments (spot value)		**a)+b)**	**1,558**	**(160)**	**188**	
Accruals				59		
Derivative instruments (gross value)				**(101)**		
of which equity reserve gains and losses					228	
Determination of ineffectiveness						
Change in derivatives		c)				(198)
Underlying instruments [4]		d)				194
Ineffectiveness [5]	Positive fair value adjustment of financial derivatives - non-hedging	c)+d)				(5)
Equity reserve						
Equity reserve balance				(214)		
of which due to the fair value of hedging settled in advance				9		
Reclassification to P&L	Negative reversal of the reserve for the fair value adjustment of hedging derivatives (cash flow hedges)				(1)	

(4) Hypothetical derivatives used in measuring the effectiveness of cash flow hedges.
(5) The ineffectiveness, due to its nature and calculation, does not necessarily coincide with the difference in cumulative changes in the fair value of derivatives and the underlying instrument; the effect due to the adoption of CVA/DVA is not considered.

The transactions hedged by cash flow hedges will generate cash flows and produce economic effects in the income statement in the periods indicated in the following table:

Denomination currency	**Notional amount in denomination currency** (millions)	**Start of period**	**End of period**	**Rate applied**	**Interest period**	**Hedging of notional amount in euro** (millions)	**Hedging of rate in euro**
YEN	20,000	Jan-25	Oct-29	[a] JPY Libor 6m + 0.94625%	Semiannually	174	6.940%
USD	500	Jan-25	Nov-33	3 month USD Libor + 0.756%[a]	Quarterly	425	5.978%
EUR	391	Jan-25	Sep-34	6-month Euribor + 0.8787%	Semiannually	794	4.340%
EUR	394	Jan-25	Jul-36	6-month Euribor + 1.45969%	Semiannually	791	5.883%

[a] Following the reform of the Interbank Offered Rate (IBOR), the floating rate parameters were replaced by the Tonar JPY rate (1/1/2022) and the Sofr USD rate (30/6/2023), respectively, according to the requirements of the fallback clauses published by the ISDA.

For hedge accounting purposes, the Volatility Risk Reduction (VRR) Test was chosen to test the retrospective and prospective effectiveness of all hedges.This test assesses the ratio between the portfolio risk (meaning the derivative and the item hedged) and the risk of the hedged item taken individually. In essence, the portfolio risk must be significantly lower than the risk of the hedged item.

NOTE 19

SUPPLEMENTARY DISCLOSURES ON FINANCIAL INSTRUMENTS

Measurement at fair value

For the purposes of the comparative information between the carrying amounts and fair value of financial instruments, required by IFRS 7, the majority of the non-current financial liabilities of TIM consist of bonds, whose fair value is directly observable in the financial markets, as they are financial instruments that due to their size and diffusion among investors, are commonly traded on the relevant markets (see the Note 15 "Non-current and current financial liabilities"). For other types of financing, however, the following assumptions have been made in determining fair value:

- for variable-rate loans, the nominal repayment amount has been assumed; for fixed-rate loans;
- for fixed-rate loans, the present value of future cash flows at the market interest rates of December 31, 2024 has been assumed.

Lastly, for the majority of financial assets, their carrying amount is a reasonable approximation of their fair value, since these are short-term investments that are readily convertible into cash.

The fair value measurement of the financial instruments of TIM is classified according to the three levels set out in IFRS 7. In particular, the fair value hierarchy introduces the following levels of input:

- 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, for assets and liabilities at December 31, 2024 and December 31, 2023 and in accordance with the categories established by IFRS 9, the supplementary disclosures on financial instruments required by IFRS 7 and the schedules of gains and losses.

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

Carrying amount and fair value hierarchy for each category/class of financial asset/liability and comparison with their fair value at 12/31/2024

(million euros)	Categories IFRS 9	notes	Carrying amount at December 31, 2024	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2024
				Amortized cost	Fair value through other comprehensive income	Fair Value through profit or loss	Level 1	Level 2	Level 3		
ASSETS											
Financial assets measured at amortized cost	AC		**3,913**	**3,913**	**—**	**—**	**—**	**—**	**—**	**—**	**3,913**
Non-current assets											
Receivables from employees		8)	*9*	*9*							
Other financial receivables		8)	*1,034*	*1,034*							
Miscellaneous receivables from others (non-current)		9)	*6*	*6*							
Current assets											
Receivables from employees		8)	*3*	*3*							
Other short-term financial receivables		8)	*396*	*396*							
Cash and cash equivalents		8)	*820*	*820*							
Trade receivables		12)	*1,555*	*1,555*							
Miscellaneous receivables from others (current)		12)	*66*	*66*							
Contract assets		12)	*24*	*24*							
Financial assets measured at fair value through other comprehensive income	FVTOCI		**44**	**—**	**44**	**—**	**—**	**32**	**12**	**—**	**44**
Non-current assets											
Other investments		7)	*44*		*44*			*32*	*12*		
Securities other than investments		8)									
Current assets											
Trade receivables		12)	*—*								
Securities other than investments		8)	*—*		*—*		*—*				
Financial assets measured at fair value through profit or loss	FVTPL		**507**	**—**	**—**	**507**	**—**	**507**	**—**	**—**	**507**
Non-current assets											
Non-hedging derivatives		8)	*464*			*464*		*464*			
Current assets											
Securities other than investments		8)									
Non-hedging derivatives		8)	*43*			*43*		*43*			
Hedge Derivatives	HD		**76**	**—**	**76**	**—**	**—**	**76**	**—**	**—**	**76**
Non-current assets											
Hedge Derivatives		8)	*72*		*72*			*72*			
Current assets											
Hedge Derivatives		8)	*4*		*4*			*4*			
Financial receivables for lease contracts	N/A		**40**	**—**	**—**	**—**	**—**	**—**	**—**	**40**	**40**
Non-current assets		8)	*14*							*14*	
Current assets		8)	*26*							*26*	
Total			**4,580**	**3,913**	**120**	**507**	**—**	**1,230**	**24**	**40**	**4,580**

The financial instruments belonging to hierarchy level 3 of fair value are represented by the following Other investments recognized as Non-current assets, for which directly or indirectly observable prices on the market are not available: Banca UBAE, Istituto Europeo di Oncologia, Istituto Enciclopedia Italiana G. Treccani and other minor companies. These equity investments were measured on the basis of an analysis, deemed reliable, of their significant assets and liabilities.

In 2024, the fair value measurement of level 3 financial instruments resulted in a total impairment loss of 29 thousand euros, recorded through other comprehensive income.

The profit/(loss) resulting from the fair value adjustment of financial assets were recognized within the scope of the Reserve for financial assets measured at fair value through other comprehensive income.

				Amounts recognized in financial statements			Levels of hierarchy of fair value				
(millions of euros)	IFRS 9 categories	notes	Carrying amount at December 31, 2024	Amortized cost	Fair value through other comprehensive income	Fair Value through profit or loss	Level 1	Level 2	Level 3	Carrying amount under IFRS 16	Fair Value at 12/31/2024
LIABILITIES											
Financial liabilities measured at amortized cost	AC/HD		**15,031**	**15,031**	**—**	**—**	**—**	**—**	**—**	**—**	**15,275**
Non-current liabilities											
Non-current financial payables and other liabilities		15)	*6,705*	*6,705*							
Current liabilities											
Current financial payables and other liabilities		15)	*4,771*	*4,771*							
Trade and miscellaneous payables and other current liabilities		23)	*3,456*	*3,456*							
Contract liabilities		23)	*99*	*99*							
Financial liabilities measured at fair value through profit or loss	FVTPL		**537**	**—**	**—**	**537**	**—**	**537**	**—**	**—**	**537**
Non-current liabilities											
Non-hedging derivatives		15)	*490*			*490*		*490*			
Current liabilities											
Non-hedging derivatives		15)	*47*			*47*		*47*			
Hedge Derivatives	HD		**177**	**—**	**177**	**—**	**—**	**177**	**—**	**—**	**177**
Non-current liabilities											
Hedge Derivatives		15)	*170*		*170*			*170*			
Current liabilities											
Hedge Derivatives		15)	*7*		*7*			*7*			
Liabilities for lease contracts	N/A		**875**	**—**	**—**	**—**	**—**	**—**	**—**	**875**	**869**
Non-current liabilities		15)	*644*							*644*	
Current liabilities		15)	*231*							*231*	
Total			**16,620**	**15,031**	**177**	**537**	**—**	**1,428**	**—**	**875**	**16,858**

Carrying amount and fair value hierarchy for each category/class of financial asset/liability and comparison with their fair value at 12/31/2023

(million euros)	IFRS 9 categories	notes	Carrying amount in financial statements at 12/31/2023	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2023
				Amortized cost	Fair value through other comprehensive income	Fair Value through profit or loss	Level 1	Level 2	Level 3		
ASSETS											
Financial assets measured at amortized cost	AC		**7,583**	**7,583**	**—**	**—**	**—**	**—**	**—**	**—**	**7,583**
Non-current assets											
Receivables from employees		8)	*29*	*29*							
Other financial receivables		8)	*3,058*	*3,058*							
Miscellaneous receivables from others (non-current)		9)	*12*	*12*							
Current assets											
Receivables from employees		8)	*22*	*22*							
Other short-term financial receivables		8)	*871*	*871*							
Cash and cash equivalents		8)	*598*	*598*							
Trade receivables		12)	*2,907*	*2,907*							
Miscellaneous receivables from others (current)		12)	*55*	*55*							
Contract assets		12)	*31*	*31*							
Financial assets measured at fair value through other comprehensive income	FVTOCI		**36.457**	**—**	**36.457**	**—**	**—**	**24**	**12**	**—**	**36.457**
Non-current assets											
Other investments		7)	*36.457*		*36.457*		*—*	*24*	*12*		
Securities other than investments		8)									
Current assets											
Trade receivables		12)	*—*		*—*						
Securities other than investments		8)	*—*		*—*		*—*				
Financial assets measured at fair value through profit or loss	FVTPL		**799**	**—**	**—**	**799**	**—**	**799**	**—**	**—**	**799**
Non-current assets											
Non-hedging derivatives		8)	*726*			*726*		*726*			
Current assets											
Securities other than investments		8)									
Non-hedging derivatives		8)	*73*			*73*		*73*			
Hedge Derivatives	HD		**139**	**—**	**139**	**—**	**—**	**139**	**—**		**139**
Non-current assets											
Hedge Derivatives		8)	*73*		*73*	*—*		*73*			
Current assets											
Hedge Derivatives		8)	*66*		*66*	*—*		*66*			
Financial receivables for lease contracts	N/A		**74**	**—**	**—**	**—**	**—**	**—**	**—**	**74**	**74**
Non-current assets		8)	*6*							*6*	
Current assets		8)	*68*							*68*	
Total			8,631.457	7,583	175.457	799	—	1,924	24	74	8,631.457

(millions of euros)	IFRS 9 categories	notes	Carrying amount in financial statements at 12/31/2023	Amounts recognized in financial statements			Levels of hierarchy of fair value			Carrying amount under IFRS 16	Fair Value at 12/31/2023
				Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Level 1	Level 2	Level 3		
LIABILITIES											
Financial liabilities measured at amortized cost	AC/HD		**27,627**	**27,627**	**—**	**—**	**—**	**—**	**—**	**—**	**27,579**
Non-current liabilities											
Non-current financial payables		14)	*16,955*	*16,955*							
Current liabilities											
Current financial payables		14)	*5,872*	*5,872*							
Trade and miscellaneous payables and other current liabilities		22)	*4,699*	*4,699*							
Contract liabilities		22)	*101*	*101*							
Financial liabilities measured at fair value through profit or loss	FVTPL		**820**	**—**	**—**	**820**	**—**	**1,235**	**15**	**—**	**820**
Non-current liabilities											
Non-hedging derivatives		14)	*741*			*741*		*726*	*15*		
Current liabilities											
Non-hedging derivatives		14)	*79*			*79*		*79*			
Hedge Derivatives	HD		**430**	**—**	**430**	**—**	**—**	**430**	**—**	**—**	**430**
Non-current liabilities											
Hedge Derivatives		14)	*398*		*398*			*398*			
Current liabilities											
Hedge Derivatives		14)	*32*		*32*			*32*			
Liabilities for lease contracts	N/A		**3,177**	**—**	**—**	**—**	**—**	**—**	**—**	**3,177**	**3,188**
Non-current liabilities		14)	*2,710*							*2,710*	
Current liabilities		14)	*467*							*467*	
Total			**32,054**	**27,627**	**430**	**820**	**—**	**2,900**	**30**	**3,177**	**32,017**

Gains and losses by IFRS 9 categories - Year 2024

(million euros)	IFRS 9 categories	Net gains/(losses) 2024	of which interest
Assets measured at amortized cost	AC	16	174
Assets and liabilities measured at fair value through profit or loss	FVTPL	(94)	—
Assets and liabilities measured at fair value through other comprehensive income	FVTOCI	2	—
Financial Liabilities at Amortized Cost	AC	(932)	(1,070)
Total		**(1,008)**	**(896)**

Gains and losses by IFRS 9 categories - Year 2023

(million euros)	IFRS 9 categories	Net gains/(losses) 2023	of which interest
Assets measured at amortized cost	AC	21	191
Assets and liabilities measured at fair value through profit or loss	FVTPL	(13)	—
Assets and liabilities measured at fair value through other comprehensive income	FVTOCI	2	—
Financial Liabilities at Amortized Cost	AC	(1,152)	(1,070)
Total		**(1,142)**	**(879)**

NOTE 20
EMPLOYEE BENEFITS

The item decreased by 310 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2022	Increase/ Discounting	Decrease	12/31/2023
Provision for employee severance indemnities	**525**	25	(78)	**472**
Provision for termination benefit incentives and corporate restructuring	**206**	8	(213)	**1**
Total	**731**	**33**	**(291)**	**473**
of which:				
Non-current portion	*631*			*472*
current portion (*)	*100*			*1*

(*) The current portion refers to the Provision for termination benefit incentives and corporate restructuring.

(million euros)	12/31/2023	Discontinued operations	Increase/ Discounting	Decrease	12/31/2024
Provision for employee severance indemnities	**472**	(304)	3	(8)	163
Provision for termination benefit incentives and corporate restructuring	**1**	—		(1)	—
Total	**473**	**(304)**	**3**	**(9)**	**163**
of which:					
Non-current portion	*472*				*163*
current portion (*)	*1*				*—*

(*) The current portion refers to the Provision for termination benefit incentives and corporate restructuring.

The **Provision for employee severance indemnities** is down 309 million euros on December 31, 2023, mainly as a result of the NetCo transaction. The decreases of 8 million euros relating to indemnities paid during the year to employees who terminated employment or for advances.

"Increases/ Present value" of 3 million euros breaks down as follows:

(million euros)	2024	2023
(Positive)/negative effect of curtailment	—	—
Finance expenses	5	17
Net actuarial (gains) losses recognized during the year	(2)	8
Total expenses (income)	**3**	**25**
Effective return on plan assets	there are no assets servicing the plan	

The net actuarial losses recognized at December 31, 2024 amounted to 2 million euros (net actuarial gains of 8 million euros in 2023), and are essentially connected with both staff turnover and changes to the technical-economic parameters: the inflation rate remained unchanged at 2.00%, while the discount rate increased from 3.08% used as of December 31, 2023 to 3.18% as of December 31, 2024.

According to Italian law, the amount to which each employee is entitled depends on the period of service and must be paid when the employee leaves the company. The amount of severance indemnity due upon termination of employment is calculated on the basis of the period of employment and the taxable compensation of each employee. This liability is adjusted annually based on the official cost-of-living index and legally-set interest. The liability is not associated with any vesting condition or period or any funding obligation; accordingly, there are no assets servicing the provision. The liability is recognized net of the partial prepayments of the provision and payments of the amounts obtained by employees for the reasons permitted by the applicable regulations.

In accordance with IAS 19, this provision has been recognized as a “Defined benefit plan”, for the amounts due up to December 31, 2024.

Under the regulations introduced by Italian Legislative Decree 252/2005 and Law 296/2006 (the State Budget Law 2007), the severance indemnities accruing from 2008 are assigned to either the INPS Treasury Fund or to supplementary pension funds and take the form of a "Defined contribution plan". However, revaluations of the provision for the employee severance indemnities at December 31, 2006, made on the basis of the official cost-of-living index and legally-prescribed interest, are retained in the provision for employee severance indemnities.

In application of IAS 19, the employee severance indemnities have been calculated using the "Projected Unit Credit Method" according to which:

- the future possible benefits which could be paid to each employee registered in the program in the event of retirement, death, disability, resignation etc. have been projected on the basis of a series of financial assumptions (cost-of-living increases, interest rate, increase in compensation etc.);
- the average present value of future benefits has been calculated, at the measurement date, on the basis of the annual interest rate adopted and of the probability that each benefit actually has to be paid;
- the liability has been calculated as the average present value of future benefits that will be generated by the existing provision at the measurement date, without considering any future accruals.

The following assumptions have been made:

FINANCIAL ASSUMPTIONS	Executives	Non-executives
Inflation rate	**2.00% per annum**	**2.00% per annum**
Discount rate	**3.18% per annum**	**3.18% per annum**
Employee severance indemnities annual increase rate	**3.0% per annum**	**3.0% per annum**

DEMOGRAPHIC ASSUMPTIONS	Executives	Non-executives
Probability of death	ISTAT 2022	ISTAT 2022
Probability of disability	INPS tables divided by age and sex	INPS tables divided by age and sex
Probability of resignation:		
up to 40 years of age	2.00%	1.00%
From 41 to 50 years of age	2.00%	0.50%
From 51 to 59 years of age	1.00%	0.50%
From 60 to 64 years of age	None	0.50%
Aged 65 and over	None	None
Probability of retirement	100% on achievement of the AGO requirements aligned with D.L. 4/2019	
Probability of receiving at the beginning of the year an advance from the provision for severance indemnities accrued equal to 70%	1.5% per annum	1.5% per annum

The application of the above assumptions resulted in a liability for employee severance indemnities of 163 million euros at December 31, 2024 (472 million euros at December 31, 2023).

Reported below is a sensitivity analysis for each significant actuarial assumption adopted to calculate the liability as at year end; showing how the liability would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date, stated in amounts. The weighted average duration of the obligation is 8.9 years.

CHANGES IN ASSUMPTIONS	Amounts (million euros)
Turnover rate:	
+0.5 p.p.	-
- 0.5 p.p.	-
Annual inflation rate:	
+0.5 p.p.	5
- 0.5 p.p.	(5)
Annual discount rate:	
+0.5 p.p.	(6)
- 0.5 p.p.	7

The Provision for termination benefit incentives and corporate restructuring was fully utilized in 2024 as a result of staff departures.

NOTE 21
PROVISIONS

The item decreased by 178 million euros compared to December 31, 2023. The breakdown and movements are as follows:

(million euros)	12/31/2023	Discontinued operations	Increase	Taken to income	Used directly	Reclassifications/other changes	12/31/2024
Provision for taxation and tax risks	1	—	—	—	—	(1)	—
Provision for restoration costs	158	(95)	3	—	(2)	7	71
Provision for legal disputes	328	—	55	—	(44)	6	345
Provision for commercial risks	249	—	19	—	(123)	7	152
Provision for risks and charges on investments and corporate-related transactions	36	—	—	—	—	(10)	26
Other provisions	7	—	—	—	—	—	7
Total	**779**	**(95)**	**77**	**—**	**(169)**	**9**	**601**
of which:							
Non-current portion	254						199
current portion	525						402

The non-current portion of provisions for risks and charges relates to the provision for restoration costs and part of the provision for legal disputes and the provision for commercial risks. More specifically, in accordance with accounting standards, the total amount of the provision for restoration costs is calculated by re-measuring the amounts for which a probable outlay is envisaged, based on the estimated inflation rates for the individual due dates, and subsequently discounted to the reporting date based on the average cost of debt, taking into account cash outflow forecasts.

The **provision for taxation and tax risks**, which was 600 thousand euros as of December 31, 2023, decreased and amounted to 480 thousand euros as of December 31, 2024.

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. Decreased by 87 million compared to December 31, 2023 mainly as a result of the NetCo transaction.

The **provision for legal disputes** increased by 17 million euros compared to December 31, 2023, following additions partially offset by utilizations during the year. the provision includes amounts set aside for disputes with employees (56 million euros) and third-parties (289 million euros).

The **provision for commercial risks** decreased by 97 million euros compared to December 31, 2023, mainly in connection with the utilization of 112 million euros of the provision for contractual risks for onerous contracts (IAS 37). This provision amounts to 70 million euros as of December 31, 2024, enabling the negative margins to be nullified over the entire term of the remaining contract for a connectivity agreement. It should be noted that, during 2024, the contract was entered into with DAZN and the related risk provision (110 million euros) was fully used.

The **provision for investment and corporate transaction risks** decreased by 10 million compared to December 31, 2023, due to the reclassification to the provision for impairment of the investment in the subsidiary Olivetti SpA Società Benefit.

Other provisions were unchanged from December 31, 2023.

NOTE 22

MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

Miscellaneous payables and other non-current liabilities consisted of the following at December 31, 2024:

(million euros)		12/31/2024	12/31/2023
Miscellaneous payables (non-current)			
Payables to social security agencies		368	573
Payables due to subsidiaries		—	9
Other payables to third parties		2	1
	(a)	**370**	**583**
Other non-current liabilities			
Deferred revenues from customer contracts (Contract liabilities)		108	94
Other deferred revenue and income		207	129
Capital grants		14	242
	(b)	**329**	**465**
Total	**(a+b)**	**699**	**1,048**

Miscellaneous payables (non-current)

This item decreased by 213 million euros compared to December 31, 2023, and includes:

- **Payables to social security agencies** amounted to 368 million euros (573 million euros at December 31, 2023): related to the debt position in respect of the INPS for the application of Art. 4 of Law no. 92 of June 28, 2012 and former Art. 41, subsection 5bis of Italian Legislative Decree no. 148/2015, as per the agreements signed by TIM S.p.A. with the trade unions (see the Note "Employee benefits expenses" for more details). These payables were as follows:

(million euros)	12/31/2024	12/31/2023
Non-current payables		
Due from 2 to 5 years after the end of the reporting period	354	517
Due beyond 5 years after the end of the reporting period	14	56
	368	**573**
Current payables	**224**	**280**
Total	**592**	**853**

- **Payables due to subsidiaries**, zero as of December 31, 2024 (9 million as of December 31, 2023): relates to the payables due for the adoption of the consolidated tax return in Italy;
- **Other payables to third parties**, amounting to 2 million euros (1 million euros as of December 31, 2023).

Other non-current liabilities

The item, amounting to 329 million euros, fell by 136 million euros compared to December 31, 2023 and consisted of:

- **Deferred revenues from contracts with customers (*contract liabilities*)** of 108 million euros (94 million euros at December 31, 2023): the item is reversed to the income statement according to the duration of the contractual obligations between the parties, averaging 24 months; therefore, the balance as at December 31, 2024 will be reversed to the income statement generally by 2026. The item mainly includes:
  - deferred revenues for subscription charges and rent and maintenance payments of 79 million euros;
  - deferred revenues for outsourcing charges for 26 million euros.
- **Other deferred revenues and income**, amounting to 207 million euros (129 million euros as of December 31, 2023), refer to the non-current portion of deferred revenues related to the MSA with FiberCop S.p.A., while the balance as of December 31, 2023 included deferred revenues from contracts for the sale of transmission capacity (operating lease assets), which were contributed as part of the NetCo transaction.
- **Capital grants** of 14 million euros (242 million euros at December 31, 2023): the item represents the component to be charged to the income statement on the basis of the useful life (estimated at around 18 years) of the assets to which the contributions themselves relate and is mainly related to the implementation of the 5G Coverage Plan under the NRRP (13 million euros), while as of December 31, 2023 it was mainly related to the implementation of the infrastructure on the projects called Ultra Broadband-BUL and Broadband-BL, which were contributed as part of the NetCo transaction.

NOTE 23

TRADE AND MISCELLANEOUS PAYABLES AND OTHER CURRENT LIABILITIES

Trade and miscellaneous payables and other current liabilities at December 31, 2024 consisted of the following:

(million euros)		12/31/2024	*of which Financial Instruments*	12/31/2023	*of which Financial Instruments*
Trade payables					
Payables due to suppliers		2,759	*2,759*	3,620	*3,620*
Payables to other telecommunications operators		207	*207*	281	*281*
Payables due to subsidiaries		381	*381*	713	*713*
Payables to associates and joint ventures		6	*6*	15	*15*
Payables to other subsidiaries		14	*14*	26	*26*
	(a)	**3,367**	***3,367***	**4,655**	***4,655***
Miscellaneous payables					
Payables due to subsidiaries		55	—	92	—
Payables to associates and joint ventures		—	—	—	—
Payables to other related parties		9	—	20	—
Tax payables		34	—	71	—
Payables to social security agencies		266	—	360	—
Payables for employee compensation		113	—	232	—
Other		195	*89*	993	*44*
Employee benefits (except for employee severance indemnities) for the current portion expected to be settled within 1 year		—	—	1	—
Provisions for employee benefits (except for employee severance indemnities) for the current portion expected to be settled within 12 months		402	—	525	—
	(b)	**1,074**	***89***	**2,294**	***44***
Other current liabilities					
Liabilities from customer contracts (Contract liabilities)		756	*99*	780	*101*
Other deferred revenue and income		84	—	21	—
Other		—	—	35	—
	(c)	**840**	***99***	**836**	***101***
Total	(a+b+c)	**5,281**	***3,555***	**7,785**	***4,800***

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

Trade payables

This item decreased by 1,288 million euros compared to December 31, 2023, mainly as a result of the NetCo transaction and the change in bills payable.

In particular, we report:

- trade payables to subsidiaries, amounting to 381 million euros (713 as of December 31, 2023): mainly refer to debt positions owed to Noovle S.p.A. Società Benefit (210 million euros), Telecom Italia Sparkle S.p.A. (50 million euros) for telecommunications services, Telsy S.p.A. (42 million euros), TIM Retail S.r.l. (29 million euros), Olivetti S.p.A. Società Benefit (18 million euros), Telecom Italia Trust Technologies S.p.A. (12 million euros) and Telecontact Center S.p.A. (12 million euros) for supply relationships. The reduction compared to last year is mainly attributable to the exit of FiberCop S.p.A. and Telenergia S.r.l. (a total of 420 million euros as of December 31, 2023) from the scope of consolidation;
- trade payables to associates, amounting to 6 million euros (15 million euros as of December 31, 2023): are related to debt positions mainly with TIMFin S.p.A. (3 million euros);
- trade payables to other related parties, amounting to 14 million euros (26 million euros as of December 31, 2023): refer mainly to debt positions with the Havas Group (12 million euros).

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 2024, these transactions resulted in payment terms consistent with those applied to non-agreed suppliers of 120 days. The amounts subject to agreements in 2024 are overall in line with those of the previous year and therefore did not have a significant impact on the Company's balance sheet figures.

Miscellaneous payables

These amounted to 1,074 million euros and decreased by 1,220 million euros compared to December 31, 2023 mainly in connection with the NetCo transaction; they mainly comprise:

- the current portion of provisions for risks and charges amounting to 402 million euros;
- payables to social security agencies amounted to 266 million euros: these include the short-term portion (224 million) of the payable due to the INPS for the application of Art. 4 of Law no. 92 of June 28, 2012 and former Art. 41, subsection 5bis of Italian Legislative Decree no. 148/2015, as per the agreements signed by TIM S.p.A. with the trade unions, as specified in the note “Miscellaneous payables and other non-current liabilities”;
- payables to subsidiaries of 55 million euros: include 13 million euros for tax consolidation (mainly to Noovle S.p.A. Società Benefit, Telecom Italia Sparkle S.p.A. and TIM Retail S.r.l.) and other operating payables of 42 million euros, particularly to Noovle S.p.A. Società Benefit (24 million euros), Telecom Italia Sparkle S.p.A. (7 million euros), Telsy S.p.A. (5 million euros) and Olivetti S.p.A. Benefit Company (3 million euros);
- advances on government grants in connection with the 5G Plan Coverage under the NRRP amounting to 53 million euros (included under Other). Compared to December 31, 2023, advances for the other two calls (1G Plan and 5G Backhauling Plan) totaling 705 million euros as of December 31, 2023, were contributed as part of the NetCo transaction;
- tax payables, amounting to 34 million euros: mainly refer to the amount owed to the tax authorities for withholdings made as withholding agent (28 million euros), as well as VAT payable (2 million euros) and government concession tax payable (2 million euros).

Other current liabilities

Amounted to 840 million euros and increased by 4 million euros compared to December 31, 2023; they include:

- **The liability arising from contracts with customers (**Contract liabilities)**, amounting to** million euros (756 million euros as of December 31, 2023): The item shows the liabilities from customers linked to the Company’s obligations to transfer goods and services for which received a price. Liabilities with customers, generally with a maturity of up to 12 months, are shown below. Specifically:
  - Contract Liabilities amounting to 3 million euros (3 million euros at December 31, 2023): 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** of 411 million euros (369 million euros at December 31, 2023): the item includes trade payables following contractual relationships, such as the payable for prepaid traffic and the subscription charges charged in advance;
  - **Advance receipts and payments** amounting to 41 million euros (47 million euros at December 31, 2023): the item includes trade payables following prepayments, such as deposits made by subscribers for phone calls;
  - **Deferred revenues from contracts with customers** of 301 million euros (361 million euros at December 31, 2023): the item refers to the deferral of revenues from customers contracts and mainly includes:
    - deferred revenues for rent and maintenance of 237 million euros (194 million euros as of December 31, 2023);
    - deferred revenues related to subscription charges of 51 million euros (46 million euros as of December 31, 2023).

    The item as of December 31, 2023 also included deferred interconnection fee revenues of 111 million euros, which were contributed as part of the NetCo transaction.
- **Other revenues and deferred income** amounted to 84 million euros (21 million euros as of December 31, 2023): refer mainly to the current portion of deferred income related to the MSA with Fibercop S.p.A. The balance as of December 31, 2023, on the other hand, mainly referred to deferred revenues from transmission capacity transfer contracts, which were contributed as part of the NetCo transaction.
- **Others,** zeroed out as of December 31, 2024 (35 million as of December 31, 2023): these were payables for advances on network work in progress, which were contributed as part of the NetCo transaction.

NOTE 24

DISPUTES AND PENDING LEGAL ACTIONS, OTHER INFORMATION, COMMITMENTS AND GUARANTEES

A description is provided below of the most significant judicial, arbitration and tax disputes in which TIM S.p.A. was involved at December 31, 2024, as well as those that came to an end during the year.

The Company has posted liabilities totaling 336 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 Annual 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 on 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 Company in cases of breaches considered serious.

(a) Significant disputes and pending legal actions

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.

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 is set for March 19, 2025.

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.

Antitrust Case A428

At the conclusion of case A428, in May 2013, AGCM (the Italian Competition Authority) imposed two administrative fines of 88,182,000 euros and 15,612,000 euros on TIM for abuse of its dominant position. The Company allegedly (i) hindered or delayed activation of access services requested by OLOs through unjustified and spurious refusals; (ii) offered its access services to final customers at economic and technical conditions that allegedly could not be matched by competitors purchasing wholesale access services from TIM itself, only in those geographic areas of the Country where disaggregated access services to the local network are available, and hence where other operators can compete more effectively with the Company.

TIM appealed against the decision before the Regional Administrative Court (TAR) for Lazio, applying for payment of the fine to be suspended. In particular, it alleged: infringement of its rights to defend itself in the proceedings, the circumstance that the organizational choices challenged by AGCM (the Italian Competition Authority) and allegedly at the base of the abuse of the OLO provisioning processes had been the subject of specific rulings made by the industry regulator (AGCom), the circumstance that the comparative examination of the internal/external provisioning processes had in fact shown better results for the OLOs than for the TIM retail department (hence the lack of any form of inequality of treatment and/or opportunistic behavior by TIM), and (regarding the second abuse) the fact that the conduct was structurally unsuitable to reduce the margins of the OLOs.

In May 2014, the judgment of the Lazio TAR was published, rejecting TIM's appeal and confirming the fines imposed in the original order challenged. In September 2014 the Company appealed against this decision.

In May 2015, with the judgment no. 2497/15, the Council of State found the decision of the court of first instance did not present the deficiencies alleged by TIM and confirmed the AGCM (the Italian Competition Authority) ruling. The company had already proceeded to pay the fines and the accrued interest.

In a decision notified in July 2015, AGCM (the Italian Competition Authority) started proceedings for non-compliance against TIM, to ascertain if the Company had respected the notice to comply requiring it to refrain from undertaking behaviors analogous to those that were the object of the breach ascertained with the concluding decision in case A428 dated May 2013.

On January 13, 2017, TIM was served notice of AGCM's final assessment, which recognized that TIM had complied in full with the A428 decision and, as such, the conditions for the imposition of a fine for non-compliance were not present.

AGCM (the Italian Competition Authority) recognizes, furthermore, that TIM's behavior subsequently to the 2013 proceedings has been directed towards continuous improvement of its performance in the supply of wholesale access services concerning not only the services which were the subject of the investigation, but also the new Ultrabroadband access services. In assessing compliance, AGCM (the Italian Competition Authority) recognized the positive impact of the implementation, albeit not yet completed, of TIM's New Equivalence Model (NME). The AGCM (the Italian Competition Authority) decision orders TIM to: (i) proceed with the implementation of the NME until its completion which is expected to be by April 30, 2017; (ii) to inform the Authority about the performance levels of the systems for providing wholesale access services and about the completion of the corresponding internal reorganization plan by the end of May 2017. The Company quickly complied with both orders, and the Authority communicated its satisfaction on August 9, 2017.

Vodafone lodged an appeal with the Lazio Regional Administrative Court against the final decision in the proceedings for non-compliance taken by AGCM (the Italian Competition Authority). TIM filed an appearance, as in the other lawsuits filed in March 2017 by the operators CloudItalia, KPNQWest Italia and Digitel. With judgments 311 and 312/23 respectively of January 11, 2023, the regional administrative court rejected the appeals lodged by KPNQWest and CloudItalia. On April 11, 2023, KPNQWest (now Comm 3000) filed an appeal the regional administrative court's ruling before the Council of State. The public hearing before the Council of State was held on October 24, 2024. In a ruling dated November 6, 2024, the Council of State rejected COMM3000's appeal on the merits, confirming the legitimacy of the AGCM order that ruled TIM to be compliant with Order A428.

Colt Technology Services - A428

With writ of summons before the Milan Court served in August 2015, the operator Colt Technology Services filed a damages claim based on the A428 decision, requesting compensation for alleged damages suffered from 2009 to 2011 as a result of purportedly inefficient and discriminatory conduct by TIM in the wholesale service supply process. The damage claimed was quantified as 27 million euros in loss of profits for the alleged non-acquisition of new customers, or for the alleged impossibility of supplying new services to the customers it had already acquired; the other party also formulated a request for compensation for the damages to its image and commercial reputation. This case follows the extrajudicial claim for approximately 23 million euros, previously advanced by Colt in June 2015, which the Company rejected in its entirety. TIM filed an appearance, contesting all of the plaintiff's allegations. In a judgment of February 21, 2024, the Court of Milan rejected in its entirety Colt's claim for damages in the amount of 27 million euros.

Colt served a notice of appeal against the judgment. At the hearing in the Milan Court on February 18, 2025, the judge rejected the opposing party's preliminary motions and remanded the case for decision. The hearing for closing arguments was set for March 25, 2026.

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.

Eutelia and Clouditalia Telecomunicazioni (now Irideos) - A428

With a writ of summons dated May 2020, Eutelia in Extraordinary Administration and Clouditalia Telecomunicazioni S.p.A., purchaser of Eutelia's TLC branch, brought an action against TIM before the Court of Rome, making claims for damages, of around 40 million euros, for damages allegedly suffered, in the period 2009-2012, following the technical boycott and margin squeeze conduct, subject of AGCM (the Italian Competition Authority) procedure A428. TIM filed an appearance, contesting the claims made by the opposing party and formulating a counterclaim, subject to quantification of the damages incurred during the proceedings. On April 1, 2022, AGCM (the Italian Competition Authority) deposited the opinion envisaged by Art. 14, third subsection of Italian Legislative Decree 3/2017, whereby it: (i) proposed certain benchmarks for use to define the counterfactual scenario on which basis to quantify the damages allegedly suffered by Eutelia and Clouditalia; (ii) provided some additional indication and criteria to estimate the various damage items demanded by Eutelia and Clouditalia. At the hearing held on June 15, 2022, the Investigating Judge assigned time to the parties until July 8, 2022, by which to deposit written notes on the implications of the opinion of the AGCM (the Italian Competition Authority) and the contents of any queries to be raised with the court appointed expert. On October 24, 2022, the judge lifted the reservation and ordered an expert report on the an of TIM's conduct and the quantum of any damages suffered by Eutelia and Irideos as a result of such. On November 15, 2022, the court-appointed expert witness was sworn in. The hearing to examine the court-appointed expert, originally scheduled for October 18, 2023, has been postponed to February 7, 2024. Following a request from the court-appointed expert to extend the deadline for filing the final report, the Judge once again postponed the hearing to examine the court-appointed expert to May 22, 2024. Ahead of the cross-examination of the court-appointed expert, TIM filed a motion to renew or add to the expert's operations. The motion was not granted by the Judge, who set a hearing for closing arguments on September 17, 2025.

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) pre-emptively 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.

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 Board has not yet issued any ruling in this regard.

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.

Eutelia and Voiceplus

In June 2009, Eutelia and Voiceplus asked that alleged acts of abuse by TIM of its dominant position in the premium services market (based on the public offer of services provided through so-called Non Geographic Numbers) be investigated. The complainants quantified their damages at a total of approximately 730 million euros.

The case follows a precautionary procedure in which the Milan Appeal Court prohibited certain behaviours of the Company relating to the management of some financial relations with Eutelia and Voiceplus concerning the Non Geographic Numbers, for which TIM managed the payments from the end customers, on behalf of such OLOs and in the light of regulatory requirements. After the ruling of the Milan Court of Appeal accepting TIM's objections, declaring that it was not competent in this matter and referring the case to the Civil Court, Eutelia (in extraordinary administration) and Voiceplus (in liquidation) resubmitted the matter to the Court of Milan. The first hearing took place in March 2014. TIM filed an appearance challenging the claims of the other parties. After the collapse of Voiceplus, the Court of Milan declared the case suspended in an order in September 2015. The case was later resumed by Voiceplus.

In its judgment issued in February 2018, the Court of Milan accepted TIM's defence and rejected the plaintiffs' claim for compensation, ordering them, jointly and severally, to pay the legal costs. In March 2018, Eutelia and Voiceplus lodged an appeal against the judgment in the first instance.

TIM appealed against the claim, requesting confirmation in full of the judgment in the first instance. The appeal of Eutelia and Voiceplus was fully rejected with the judgment of August 5, 2019. In December 2019 Eutelia and Voiceplus appealed to the Court of Cassation against the judgment of the Court of Appeal. TIM notified a counterclaim asking confirmation of the ruling appealed against. The hearing in chambers was scheduled for February 16, 2023. At the hearing on February 16, 2023, at the request of the applicants, it was ordered that the case be heard in open court, with a hearing scheduled for June 12, 2024.

The Court of Cassation, in a ruling published on June 25, 2024, declared inadmissible Eutelia and Voiceplus' appeal against the merit-based judgments which had thrown out the adversary's enormous compensation claim.

The Court found that (i) the question of relevant market was not relevant to the ratio decidendi, and (ii) the plaintiffs' other complaints aimed to call substantive deliberations into question.

The Court also ordered the counterparties to pay costs amounting to approximately 100,000.00 euros plus accessories and the lump-sum reimbursement of general expenses in the maximum percentage allowed by law.

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.

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 anti-competitive agreement was 114,398,325 euros. In April 2020, TIM also challenged the sanction 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 sanction.

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. 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 the identification of the dies a quo 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 anticompetitive 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 cause the interest in the appeal of first instance to be extinguished.

On December 17, 2024, AGCM – accepting the claims of TIM and FiberCop – ruled 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.

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 defense 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 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.

The proceedings must be completed by June 30, 2025.

Wind Tre S.p.A. – I857

By writ of summons brought before the Court of Milan and served in January 2024, operator Wind Tre S.p.A. requested that TIM S.p.A. and DAZN limited be ordered to compensate, jointly and severally, Wind Tre S.p.A. for the damage allegedly suffered by it as a result of the defendants' alleged violation of art. 102 of the TFEU (abuse of a dominant position) due to having signed a mutual agreement in January 2021 (the "Deal Memo") which – in the claimant's opinion – would result in damage quantifiable in 69,803,012.00 euros.

In addition, Wind Tre S.p.A. is requesting that TIM S.p.A. be ordered to pay 10,266,377.00 euros in compensation for the damage allegedly resulting from advertising campaigns which were intended, according to the claimant, to suggest to customers that subscribing to TIM's FTTH service, or subscribing to TIMVISION's offer, was the only way to access DAZN service content.

On April 29, 2024, TIM entered an appearance and counterclaim in which it called for Wind's claims to be thrown out and for the proceedings to be suspended pending the Lazio Regional Administrative Court's ruling on TIM and DAZN's application to annul the measure adopted by AGCM (the Italian Antitrust Authority) on June 28, 2023 (in which AGCM resolved that the conduct of TIM and DAZN in signing the Deal Memo constituted an agreement restricting competition). The preliminary hearing was initially scheduled for July 8, 2024, but has since been moved to March 11, 2025. In an Order dated February 28, 2025, the Court of Milan ex officio ordered that the first hearing be further moved to September 10, 2025.

Antitrust case I874

On December 17, 2024 AGCM ruled to initiate a preliminary investigation proceeding to assess the possible anti-competitiveness of certain clauses contained in the current Master Service Agreement between TIM and FiberCop regulating the relations between those entities following the transfer of fixed network activities from TIM to FiberCop.

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.

Dispute relating to “Adjustments on license fees” for the years 1994-1998

With regard to the judgments sought in previous years concerning the Ministry of Communications' request for payment of the balance of the amounts paid in concession charges for the years 1994-1998 (for a total of 113 million euros), the Lazio Regional Administrative Court (TAR) rejected the Company’s appeal against the request for adjustment of the license fee for 1994 in the amount of approximately 11 million euros, 9 million euros of which against turnover not received due to bad debts. TIM lodged an appeal. On the outcome of proceedings, with the ruling of December 2019, the Council of State partially accepted TIM's position, establishing the principle, according to which, the receivables referring to 1994 not collected for reasons not attributable to the operator, could have been deducted from the tax base for calculating the concession fee. As the Ministry of Economic Development has not followed up on TIM’s requests aimed at obtaining fulfillment of the judgment, TIM has submitted a further petition to the Council of State for failure to execute the judgment, but with judgment given in April 2022, the request for compliance brought by TIM was rejected. TIM appealed for revocation of this judgment to the Council of State. This appeal was declared inadmissible in judgment 3318/2023.

With two further judgments the Lazio Regional Administrative Court (TAR), reiterating the reasons expressed previously, also rejected the appeals in which the Company challenged the requests for payment of outstanding balances of license fees for the years 1995 and 1996-1997-1998, in the amount of approximately 46 million euros. TIM has appealed before the Council of State also against these judgments. By judgment published in April 2022, the Council of State stressed the principles already set for 1994, namely that receivables that have become uncollectable for reasons not the fault of the operator, correctly handled in the accounts, on the financial statements and in terms of tax, can be deducted from the tax base for calculating the concession fee.

With reference to the 1998 fee adjustment (equal to about 41 million euros), the Lazio TAR, by TAR order of December 2018, suspended the judgment, raising preliminary questions with the EU Court of Justice on the correct scope of EC Directive no. 97/13 (in the matter of general authorizations and individual licenses in the field of telecommunications services on the basis of the currently pending litigation on the 1998 license fee, currently pending before the Rome Court of Appeal and illustrated in a subsequent paragraph).

The referred questions were based, inter alia, on the question posed to the Court of Justice on the possible conflict between the aforementioned EC Directive 97/13 and national law, which extended the obligation for telecommunications license-holders to pay the license fee for 1998 (commensurate with a portion of turnover), despite the liberalization process underway. In its judgment of March 2020, the EU Court of Justice held that the EU regulatory system must be interpreted as not allowing national legislation to extend to 1998 the obligation imposed on a telecommunications undertaking that was previously the concession holder (such as TIM) to pay a fee calculated on the basis of turnover and not only the administrative costs connected with the granting, management, control and implementation of the general authorizations and individual licenses scheme. The Court held, inter alia, that the Council of State – having held in its judgment 7506/2009 that the fee imposed for 1998 on TIM, the holder of an authorization existing on the date of entry into force of Directive 97/13, was due – interpreted national law in a way that was incompatible with EU law, as interpreted by the Court in its judgment of February 21, 2008. Following the judgment of the EU Court of Justice, the opinion on the final calculation of the 1998 charges was summarized before the Lazio Regional Administrative Court, which, in a judgment given last February, declared TIM's appeal as unacceptable for procedural reasons, namely due to the prevalence of the formal ruling consisting of judgment no. 7506/09; in substantive terms, on the other hand, the judgment of the EU Court of Justice once again ascertained the European Community unlawful nature of the credit claim by the Public Administration to obtain payment of the 1998 charges and, consequently, the final balance. The company has challenged the judgment of the Lazio Regional Administrative Court to the Council of State.

The Council of State, following the public hearing of December 4, 2024, reserved judgment until after the ruling on the application brought in the Court of Cassation by the Presidency of the Council of Ministers to annul the ruling of the Rome Court of Appeals upholding TIM's claim (in relation to the 1998 concession fee).

Brazil - Opportunity arbitration

In May 2012, TIM and Telecom Italia International N.V. (now merged in Telecom Italia Finance) were served with a notice of arbitration proceedings brought by the Opportunity group, claiming compensation for damages allegedly suffered for presumed breach of a settlement agreement signed in 2005. Based on the claimant's allegations, the damages relate to circumstances that emerged in the criminal proceedings pending before the Milan Court regarding, inter alia, unlawful activities engaged in by former employees of TIM.

The investigatory phase having been completed, the hearing for oral discussion took place in November 2014, after which the parties filed their concluding arguments in preparation for the decision on the case.

In September 2015, the Board of Arbitration declared the proceedings closed, as the award was going to be filed.

In September 2016 the ICC Court notified the parties of its judgment, based on which the Court of Arbitration rejected all the claims made by the Opportunity group and decided that the legal costs, administrative costs and costs for expert witnesses should be split between the parties (the "2016 Arbitration Award").

In April 2017 the Opportunity group filed an appeal against the 2016 Arbitration Award before the Paris Court of Appeal.

In November 2017, TIM and Telecom Italia Finance received from the Secretariat of the ICC's International Court of Arbitration notice of a Request for Revision of the 2016 Arbitration Award, filed by the Opportunity group, asking for a new award. A Board of Arbitration was subsequently established.

In October 2018, TIM and Telecom Italia Finance requested proceedings with the Paris Court of Appeal to be suspended, in the light of proceedings pending with the Court of Arbitration of the International Chamber of Commerce to review the same 2016 Arbitration Award. In November 2018, the Paris Court of Appeal suspended the proceedings until the decision is taken by the Court of Arbitration in the review proceedings.

As regards the proceedings to review the 2016 Arbitration Award, in October 2019 the ICC held the discussion hearing in Paris. In August 2020, the Arbitration Court issued the award rejecting the Request for Revision presented by the Opportunity Group (the "2020 Arbitration Award"). In December 2020, the Opportunity group filed an appeal against the 2020 Arbitration Award before the Paris Court of Appeal. In May 2021 the Opportunity group asked the Paris Court of Appeal to summarize the proceedings brought against the 2016 Arbitration Award. Thereafter, the Opportunity Group, TIM and Telecom Italia Finance filed their briefs in the two proceedings pending before the Paris Court of Appeal, respectively against the 2016 Award and the 2020 Award. On January 8, 2024, both appeal proceedings were heard before the Paris Court of Appeal.

In its decision of May 2, 2024, the Paris Court of Appeal quashed the 2016 Arbitration Award on the grounds that the Court considered one of the members sitting on the arbitration panel to be affected by a conflict of interest. In a separate decision issued on the same date, the Court ordered the reopening of the proceedings on the 2020 Arbitration Award.

On June 20, 2024, TIM and Telecom Italia Finance lodged an appealed with the Court of Cassation against the judgment quashing the 2016 Arbitration Award.

On June 24, 2024, observations were submitted on the consequences that the quashing of the 2016 Arbitration Award may have in relation to the appeal against the 2020 Arbitration Award. Proceedings are still pending.

On September 3, 2024, the Paris Court of Appeal rejected Opportunity's petition to set aside the 2020 Award following the annulment of the 2016 Award. The proceedings have therefore been stayed until the outcome of the case initiated in the Court of Cassation, with the 2020 Award remaining in effect.

On December 19, 2024, TIM and Telecom Italia Finance filed a statement of defense in the proceedings before the Supreme Court, aimed at overturning the decision of the Paris Court of Appeals to quash the 2016 Arbitration Award.

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 preliminary brief, Iliad updated its claim for damages, taking it to 242.8 million euros, and later to 292.8 million euros.

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.

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 to June 10, 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.

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.

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 S.p.A. 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 S.p.A. to be quashed; and
- ordered everything previously seized from TIM S.p.A. 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 S.p.A. 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 S.p.A. 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. no. 231 of 2001, could theoretically constitute a prerequisite for administrative offences, attributable to the Company.

With specific reference to TIM S.p.A., 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.

(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.

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 (totaling 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 favorable 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 matter of the right to repeat the charges paid for 1998 - the Court of Cassation ruled in its judgment no. 18603 given on September 7, 2020, rejecting the appeal brought by the Presidency of the Council against the judgment whereby the Court of Appeal of Rome had upheld the claim for compensation made by Vodafone (payment of charges for 1998) for the same title in separate proceedings.

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 is examining the various scenarios and legal claims (national, European Community, etc.) that could 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.

Other assets/liabilities related to the sale of assets and shareholdings

As part of agreements for the sale of assets and companies, TIM S.p.A. has undertaken guarantees to indemnify the buyers for liabilities mainly connected with legal, tax, social security, and labor law issues, for an amount normally set as a percentage of the purchase price.

Against the aforementioned contingent liabilities, for only those cases in which an outlay of resources was deemed probable, a corresponding provision was made for risks.

It should also be noted that under some asset and/or equity sale contracts signed by TIM S.p.A., there are usual post-closing price adjustment mechanisms as well as earn-out mechanisms in favor of TIM.

(c) Commitments and guarantees

Personal guarantees provided, totaling 3,834 million euros, refer mainly to guarantee financing provided by TIM on behalf of Subsidiaries (including 1,925 million euros for Telecom Italia Capital, 787 million euros for Telecom Italia Finance, 198 million euros for Telecom Italia Sparkle, 197 million euros for Noovle, and 41 million euros for Olivetti.

Significant purchase commitments outstanding at December 31, 2024 for long-term contracts forming part of TIM S.p.A.'s business operations, totaling 1,071 million euros, mainly related to the commitments undertaken by the Company for information technology services.

The guarantees provided by third parties to TIM companies, amounting to 3,154 million euros, refer for 1,721 million euros to the related to guarantees provided by banks and other financial institutions as a guarantee of the proper performance of contractual obligations and for 1,433 million euros to insurance guarantees. In particular, we report:

- the insurance guarantees mainly refer to guarantee financing required of TIM in applying legal provisions for contracts of Public Administrations and similar bodies;
- TIM had bank guarantees issued in favor of INPS in support of the application – also for some Group companies – of Article 4, paragraph 1, of Law no. 92 of June 28, 2012 and Article 41, paragraph 5bis, of Legislative Decree no. 148/2015 for the voluntary redundancy of employees meeting the requirements; the total amount of guarantees is 1,119 million euros (of which 1,053 million euros for TIM, 30 million euros for Telecom Italia Sparkle, 18 million euros for Noovle and 9 million euros for Olivetti).

In particular, TIM Group had bank guarantees of 90 million euros issued by MPS in favor of INPS in support of the application of Article 4 of Italian Law 92 of June 28, 2012, for the voluntary redundancy of employees meeting the requirements. At the same time, on October 25, 2023, a pledge was established over government bonds in favor of the guarantor bank – specifically, BTP 15/07/2028 – which TIM had borrowed from Telecom Italia Finance S.A. on October 19, 2023. In accordance with IAS/IFRS accounting standards, the securities are recorded only in the financial statements of Telecom Italia Finance S.A., which remains the holder of the risk and benefits deriving from the position.

Furthermore, in May 2018, TIM issued a surety to 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).

As of December 31, 2024, the undrawn portion of intercompany credit lines granted by TIM to subsidiaries amounted to 115 million euros.

The loan guarantees are described in the Note 15 "Non-current and current financial liabilities".

NOTE 25
REVENUES

These increased by 251 million euros compared to 2023. The breakdown is as follows:

(million euros)	2024	2023
Equipment sales	769	779
Services	8,449	8,188
Total	**9,218**	**8,967**

Revenues from services are mainly represented by voice and data services on fixed and mobile networks for Retail customers amounting to 7,505 million euros (7,353 million euros in FY 2023) and for other Wholesale operators amounting to 165 million euros (2,107 million euros in FY 2023).

Revenues are shown before fees to be paid to other operators amounting to 417 million euros (475 million euros in fiscal year 2023), included in "Costs of services."

NOTE 26
OTHER INCOME

This item increased by 103 million euros compared to 2023. The figure breaks down as follows:

(million euros)	2024	2023
Late payment fees charged for telephone services	19	23
Recovery of employee benefit expenses, purchases and services rendered	34	21
Capital and operating grants	15	12
Damages, penalties and recoveries connected with litigation	2	21
Estimate revisions and other adjustments	96	40
Income for special training activities	1	2
Services related to the MSA in place with FiberCop S.p.A.	42	—
Other	24	11
Total	**233**	**130**

NOTE 27
PURCHASE OF RAW MATERIALS AND SERVICES

This item increased by 805 million euros compared to 2023. The figure breaks down as follows:

(million euros)		2024	2023
Purchase of raw materials and goods	**(a)**	**707**	**724**
Costs of services			
Revenues due to other TLC operators		417	475
Costs for telecommunications network access services		107	77
Commissions, sales commissions and other selling expenses		1,530	1,354
Advertising and promotion expenses		112	120
Professional and consulting services		85	100
Utilities		200	91
Maintenance costs		152	61
Outsourcing costs for other services		375	364
Mailing and delivery expenses for telephone bills, directories and other materials to customers		26	26
Distribution and logistics		—	1
Travel and lodging costs		4	3
Insurance		15	13
Other service expenses		1,646	1,295
	(b)	**4,669**	**3,980**
Lease and rental costs			
Rent and leases		7	2
Other lease and rental costs		752	624
	(c)	**759**	**626**
Total	**(a+b+c)**	**6,135**	**5,330**

In application of IFRS 16, leased asset costs mainly included rental fees for contracts relating to intangible assets (752 million euros, mainly for software licenses).

The item Other service expenses mainly includes network access charges and hosting fees related to radio base stations.

NOTE 28
EMPLOYEE BENEFITS EXPENSES

This item decreased by 442 million euros compared to 2023. The figure breaks down as follows:

(million euros)		2024	2023
Ordinary employee expenses			
Wages and salaries		545	605
Social security expenses		207	231
Employee Severance Indemnities		—	—
Other employee benefits		79	64
	(a)	**831**	**900**
Costs and provisions for agency contract work	**(b)**	**—**	**—**
Miscellaneous expenses for employees and other labor-related services rendered			
Expenses for corporate restructuring and termination benefit incentives		68	448
Other		11	4
	(c)	**79**	**452**
Total	**(a+b+c)**	**910**	**1,352**

“**Ordinary employee expenses**” decreased by 69 million euros, mainly due to the contraction of the average salaried workforce by -1,783 units on average, partially offset by the lower impact caused by the reduction in hours under the “Solidarity contract” signed on April 12, 2024 as compared to the prior Expansion agreement signed in 2022 and terminated on February 28, 2024 (+847 average units compared to 2023).

“Expenses for corporate restructuring and termination benefit incentives” amounted to 68 million euros (448 million euros in 2023) and are mainly related to wage supplementation related to Solidarity Agreements and individual redundancy plans, as stipulated in the labor union agreement signed with the trade unions.

The average salaried workforce stood at 11,228 units at December 31, 2024 (12,164 at December 31, 2023). A breakdown by category is as follows:

(number of units)	2024	2023
Executives	230	267
Middle Managers	2,082	1,962
White collars	8,916	9,935
Blue collars	—	—
Employees on payroll	**11,228**	**12,164**
Agency contract workers	—	—
Total headcount	**11,228**	**12,164**

As of December 31, 2024, the workforce numbered 12,951 (32,951 as of December 31, 2023), a decrease of 20,000, mainly due to the spin-off of NetCo.

NOTE 29
OTHER OPERATING EXPENSES

This item decreased by 133 million euros compared to 2023. The figure breaks down as follows:

(million euros)	2024	2023
Write-downs and expenses in connection with credit management	92	104
Provision charges	36	56
TLC operating fees and charges	19	21
Indirect duties and taxes	28	25
Penalties, settlement compensation and administrative fines	9	24
Subscription dues and fees, donations, scholarships and traineeships	6	6
Sundry expenses	44	131
Total	**234**	**367**
of which, included in the supplementary disclosure on financial instruments	*92*	*104*

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

NOTE 30
CHANGE IN INVENTORIES

Was positive by 14 million euros (negative by 12 million euros as of December 31, 2023) and mainly attributable to a trend of lower consumption on the Mobile segment.

In 2024, write-downs of inventories amounted to 4 million euros.

NOTE 31
INTERNALLY GENERATED ASSETS

They amounted to 144 million euros and decreased by 19 million euros compared to 2023. They consist solely of tangible and intangible capitalizations on labor costs and specifically:

- for 100 million euros (-16 million euros compared to 2023) relating to “intangible assets with a finite useful life”, mainly relating to development of software and network solutions, applications and innovative services;
- for 44 million euros (-3 million euros compared to 2023) relating to the “tangible assets” connected with design, construction and testing of network infrastructure and systems.

NOTE 32
DEPRECIATION AND AMORTIZATION

This item increased by 9 million euros compared to 2023. The figure breaks down as follows:

(million euros)		2024	2023
Amortization of intangible assets with a finite useful life			
Industrial patents and intellectual property rights		640	650
Concessions, licenses, trademarks and similar rights		320	321
Other intangible assets		1	1
	(a)	**961**	**972**
Depreciation of tangible assets owned			
Buildings (civil and industrial)		1	1
Plant and equipment		451	476
Manufacturing and distribution equipment		—	—
Other		42	44
	(b)	**494**	**521**
Amortization of rights of use assets			
Rights of use Concessions, Licenses, Trademarks and Similar Rights		—	—
Property		40	34
Plant and equipment		146	106
Other		6	5
	(c)	**192**	**145**
Total	**(a+b+c)**	**1,647**	**1,638**

For further details refer to Note 4 "Intangible assets with a finite useful life", Note 5 "Tangible assets" and Note 6 "Rights of use assets".

NOTE 33

GAINS/(LOSSES) ON DISPOSALS OF NON-CURRENT ASSETS

This item was broken down as follows:

(million euros)		2024	2023
Gains on disposals of non-current assets			
Gains on the retirement/disposal of intangible, tangible and rights of use assets		4	3
	(a)	**4**	**3**
Losses on disposals of non-current assets			
Losses on the retirement/disposal of intangible, tangible and rights of use assets		11	20
	(b)	**11**	**20**
Total	**(a-b)**	**(7)**	**(17)**

NOTE 34

IMPAIRMENT REVERSALS (LOSSES) ON NON-CURRENT ASSETS

The item was negative by 14 million euros (almost zero in 2023) due to the write-down of the residual value of certain network asset components related to work in progress ("plant inventory").

In accordance with IAS 36, goodwill is not subject to amortization, but is tested for impairment on at least an annual basis, when preparing the company's separate financial statements.

Further details are provided in the Note 3 "Goodwill".

NOTE 35
INCOME (EXPENSES) FROM INVESTMENTS

Details are as follows:

(million euros)	2024	2023
Dividends	15	1,087
Net gains on disposals of investments	26	—
Other income from investments	—	—
Capital losses and impairment losses on financial assets	(311)	(176)
Sundry expenses from investments	—	—
Total	**(270)**	**911**
of which, included in the supplementary disclosure on financial instruments	*2*	*2*

Further details on Financial Instruments are provided in Note 19 "Supplementary disclosures on financial instruments".

In particular, we report:

- Dividends related to the companies Daphne 3 S.p.A. (11 million euros) and Fin. Priv. S.r.l. (2 million euros) and to the subsidiary Telecom Italia S. Marino (2 million euros). In 2023, dividends mainly related to the subsidiaries Telecom Italia Finance S.A. (988 million euros) and FiberCop S.p.A. (84 million euros) and to associate company Daphne 3 S.p.A. (12 million euros).
- The net capital gain on disposal of investments related to the sale of investments in associates Daphne 3 S.p.A. (16 million euros), Nordcom S.p.A. (6 million euros) and Italtel S.p.A. (4 million euros). In 2023, this item was nil.
- Capital losses and reductions in the value of financial assets refer to the write-down of investments in the subsidiaries Telecom Italia Sparkle S.p.A. and Olivetti S.p.A. Società Benefit. With regard to Telecom Italia Sparkle S.p.A., it should be noted that on February 12, 2025, the Directors of TIM S.p.A. accepted the binding offer for the sale of the entire stake (100%) held in Telecom Italia Sparkle. Therefore, in the 2024 Financial Statements, in addition to fully incorporating the loss for 2024 reported by the Telecom Italia Sparkle group (70 million euros), the recoverability of the value of the investment was verified in accordance with the offer, and an additional write-down of 230 million euros was recorded. With regard to Olivetti S.p.A. Società Benefit, a write-down of 11 million euros was recognized.

  In 2023, capital losses and impairments related to: the impairment (144 million euros) of the investments in subsidiaries Telecom Italia Sparkle S.p.A. and Olivetti S.p.A. Società Benefit and in associate Italtel S.p.A; provisions for investment-related expenses concerning subsidiaries Olivetti S.p.A. Società Benefit and TI Latam Participações e Gestão Administrativa Ltda (12 million euros); and the disposal of the investment in Tim Servizi Digitali S.p.A. (20 million euros).

NOTE 36
FINANCE INCOME AND EXPENSES

Finance income (expenses) showed a net expense of 937 million euros, which breaks down as follows:

(million euros)	2024	2023
Finance income	1,003	997
Finance expenses	1,940	2,066
Total net finance income (expenses)	**(937)**	**(1,069)**

The items break down as follows:

(million euros)		2024	2023
Interest expenses and other finance expenses			
Interest expenses and other costs relating to bonds		(353)	(462)
Interest expenses relating to subsidiaries		(305)	(363)
Interest expenses relating to associates		—	—
Interest expenses to banks		(198)	(255)
Finance expenses on lease liabilities		(39)	(39)
Interest expenses to others		(22)	(11)
		(917)	**(1,130)**
Commissions		(59)	(45)
Other finance expenses (*)		(155)	(109)
		(214)	**(154)**
Interest income and other finance income:			
Interest income		11	7
Interest income from subsidiaries		26	17
Interest income from associates		—	—
Income from financial receivables, recorded in Non-current assets		5	1
Income from financial receivables from subsidiaries, recorded in Non-current assets		116	164
assets		—	—
assets		—	—
(*)		5	5
Miscellaneous finance income		22	24
		185	**218**
Total net finance interest/(expenses)	**(a)**	**(946)**	**(1,066)**
Other components of finance income and expenses:			
Net exchange gains and losses		3	(1)
Net result from derivatives		3	(14)
Net fair value adjustments to fair value hedge derivatives and underlying instruments		—	—
Net fair value adjustments to non-hedging derivatives		3	12
Total other components of finance income and expenses:	**(b)**	**9**	**(3)**
Total net finance income (expenses)	**(c)=(a+b)**	**(937)**	**(1,069)**
of which, included in the supplementary disclosure on financial instruments		*(919)*	*(1,040)*

(*) of which IFRS9 impact, nil on 2024 and 2023.

Further details on financial instruments are provided in Note 19 "Supplementary disclosure on financial instruments".

For greater clarity of presentation, the net effects relating to derivative financial instruments are summarized in the following table:

(million euros)		2024	2023
Foreign currency conversion gains		54	47
Exchange losses		(51)	(48)
Net exchange gains and losses		**3**	**(1)**
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)		101	166
Negative effect of the reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)		(98)	(154)
Net effect of the Reversal of the Reserve of cash flow hedge derivatives to the income statement (interest rate component)	**(b)**	**3**	**12**
Income from non-hedging derivatives		361	410
Charges from non-hedging derivatives		(361)	(436)
Net result from non-hedging derivatives	**(c)**	**—**	**(26)**
Net result from derivatives	**(a+b+c)**	**3**	**(14)**
Positive fair value adjustments to fair value hedge derivatives		—	—
Negative fair value adjustments relating to financial assets and liabilities underlying fair value hedge derivatives		—	—
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)	302	156
Negative fair value adjustments to non-hedging derivatives	(g)	(299)	(144)
Net fair value adjustments to non-hedging derivatives	**(f+g)**	**3**	**12**

NOTE 37
RELATED-PARTY TRANSACTIONS

The following tables show the balances relating to related-party transactions and the impact of those amounts on the separate income statement, statement of financial position and statement of cash flows of TIM S.p.A..

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 TIM S.p.A..

In addition, there were no transactions concluded in 2024 that significantly impacted the equity position or results of TIM S.p.A., nor were there any changes or developments with respect to the related-party transactions described in the 2023 Report on Operations which had a significant effect on the financial position or on the performance of TIM S.p.A. in 2024.

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 S.p.A., the Board of Directors identified the Ministry of Economy and Finance (MEF) as a related party of TIM S.p.A.. For the purpose of the 2024 financial statements, 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.

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 related-party transactions on the line items of the separate income statements for 2024 and 2023 are as follows:

SEPARATE INCOME STATEMENT LINE ITEMS 2024

(million euros)	Total	Related Parties								
	(a)	Subsidiaries	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. (b)	% of financial statement item (b/a)
Revenues	9,218	835	155	79	—	—	1,069	677	392	4.3
Other income	233	46	1	—	—	—	47	11	36	15.5
Acquisition of goods and services	6,135	1,772	7	59	—	—	1,838	456	1,382	22.5
Employee benefits expenses	910	9	—	—	45	14	68	17	51	5.6
Other operating expenses	234	4	—	—	—	—	4	4	—	—
Depreciation and amortization	1,647	9	—	—	—	—	9	4	5	0.3
Gains/losses on disposals of non-current assets	(7)	—	—	—	—	—	—	—	—	—
Income (expenses) from investments	(270)	2	11	—	—	—	13	—	13	(4.8)
Finance income	1,003	485	—	1	—	—	486	—	486	48.5
Finance expenses	1,940	670	4	—	—	—	674	—	674	34.7
Profit/(loss) from Discontinued operations / Non-current assets held for sale	(666)	248	—	1	(17)	—	232			

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti Group and its subsidiaries; Ministry of Economy and Finance (MEF); other related parties through Directors, Statutory Auditors and Key Managers.

SEPARATE INCOME STATEMENT LINE ITEMS 2023

(million euros)	Total	Related Parties								
	(a)	Subsidiaries	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. (b)	% of financial statement item (b/a)
Revenues	8,967	1,562	38	118	—	—	1,718	1,479	239	2.7
Other income	130	46	1	—	—	—	47	21	26	20.0
Acquisition of goods and services	5,330	2,495	43	66	—	—	2,604	952	1,652	31.0
Employee benefits expenses	1,352	7	—	—	64	16	87	38	49	3.6
Other operating expenses	367	2	—	—	—	—	2	2	—	—
Depreciation and amortization	1,638	15	—	—	—	—	15	11	4	0.2
Gains/losses on disposals of non-current assets	(17)	—	—	—	—	—	—	—	—	—
Income (expenses) from investments	911	1,073	12	—	—	—	1,085	—	1,085	119.1
Finance income	997	528	—	1	—	—	529	—	529	53.1
Finance expenses	2,066	642	4	—	—	—	646	—	646	31.3
Profit/(loss) from Discontinued operations / Non-current assets held for sale	(1,427)	445	(1)	87	(35)	—	496			

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti Group and its subsidiaries; other related parties through Directors, Statutory Auditors and Key Managers.

The effects of related-party transactions on the line items of the statements of financial position as at December 31, 2024 and December 31, 2023 are as follows:

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT DECEMBER 31, 2024

(million euros)	Total	Related Parties					
		Subsidiaries	Associates, subsidiaries of associates and joint ventures	Other related parties (*)	Pension funds	**Total related parties**	% of financial statement item
	(a)					(b)	(b/a)
NET FINANCIAL DEBT							
Non-current financial assets	**1,593**	**1,115**	**—**	**—**	**—**	**1,115**	70.0
of which: Non-current financial assets for lease contracts	*14*	*9*	—	—	—	***9***	*64.3*
Securities other than investments (current assets)	—	—	—	—	—	**—**	—
Financial receivables and other current financial assets	472	414	—	24	—	**438**	92.8
of which: Current financial assets for lease contracts	*26*	*2*	—	*24*	—	***26***	*100.0*
Cash and cash equivalents	820	87	—	—	—	**87**	10.6
Current financial assets	**1,292**	**501**	**—**	**24**	**—**	**525**	40.6
Non-current financial liabilities	8,009	2,455	—	—	—	**2,455**	30.7
of which: Non-current financial liabilities for lease contracts	*644*	*16*	—	—	—	***16***	*2.5*
Current financial liabilities	5,056	1,620	1	—	—	**1,621**	32.1
of which: Current financial liabilities for lease contracts	*231*	*4*	—	—	—	***4***	*1.7*
Total net financial debt	**10,180**	**2,459**	**1**	**(24)**	**—**	**2,436**	23.9
OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS							
Rights of use assets	1,513	19	—	—	—	**19**	1.3
Miscellaneous receivables and other non-current assets	1,552	155	—	—	—	**155**	10.0
Trade and miscellaneous receivables and other current assets	3,139	304	186	9	—	**499**	15.9
Miscellaneous payables and other non-current liabilities	699	1	—	—	—	**1**	0.1
Trade and miscellaneous payables and other current liabilities	5,281	437	6	14	9	**466**	8.8

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti Group and its subsidiaries; Ministry of Economy and Finance (MEF); other related parties through Directors, Statutory Auditors and Key Managers.

STATEMENT OF FINANCIAL POSITION LINE ITEMS AT DECEMBER 31, 2023

(million euros)	Total	Related Parties					
		Subsidiaries	Associates, subsidiaries of associates and joint ventures	Other related parties (*)	Pension funds	**Total related parties**	% of financial statement item
	(a)					**(b)**	**(b/a)**
NET FINANCIAL DEBT							
Non-current financial assets	**3,892**	**3,121**	**—**	**1**	**—**	**3,122**	80.2
of which: Non-current financial assets for lease contracts	***6***	—	—	*1*	—	***1***	*16.7*
Securities other than investments (current assets)	**—**	—	—	—	—	**—**	—
Financial receivables and other current financial assets	**1,100**	463	—	1	—	**464**	42.2
of which: Current financial assets for lease contracts	***68***	*1*	—	*1*	—	***2***	*2.9*
Cash and cash equivalents	**598**	38	—	—	—	**38**	6.4
Current financial assets	**1,698**	**501**	**—**	**1**	**—**	**502**	29.6
Non-current financial liabilities	**20,804**	4,641	—	—	—	**4,641**	22.3
of which: Non-current financial liabilities for lease contracts	***2,710***	*21*	—	—	—	***21***	*0.8*
Current financial liabilities	**6,450**	1,930	2	—	—	**1,932**	30.0
of which: Current financial liabilities for lease contracts	***467***	*38*	—	—	—	***38***	*8.1*
Total net financial debt	**21,664**	**2,949**	**2**	**(2)**	**—**	**2,949**	13.6
OTHER STATEMENT OF FINANCIAL POSITION LINE ITEMS							
Rights of use assets	**3,271**	152	—	2	—	**154**	4.7
Miscellaneous receivables and other non-current assets	**1,795**	300	2	—	—	**302**	16.8
Trade and miscellaneous receivables and other current assets	**4,561**	1,251	48	25	—	**1,324**	29.0
Miscellaneous payables and other non-current liabilities	**1,048**	14	—	18	—	**32**	3.1
Trade and miscellaneous payables and other current liabilities	**7,785**	809	15	32	20	**876**	11.3

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti Group and its subsidiaries; other related parties through Directors, Statutory Auditors and Key Managers.

The effects of related-party transactions on the significant line items of the statements of cash flows for 2024 and 2023 are as follows:

STATEMENT OF CASH FLOWS LINE ITEMS 2024

(million euros)	Total	Related Parties							
		Subsidiaries	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.**	% of financial statement item
	(a)							(b)	(b/a)
Purchase of intangible, tangible and rights of use assets on an accrual basis	1,235	24	—	12	—	**36**	—	**36**	2.9
Dividends paid	—	—	—	—	—	**—**	—	**—**	—

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti Group and its subsidiaries; Ministry of Economy and Finance (MEF); other related parties through Directors, Statutory Auditors and Key Managers.

STATEMENT OF CASH FLOWS LINE ITEMS 2023

(million euros)	Total	Related Parties							
		Subsidiaries	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.**	% of financial statement item
	(a)							(b)	(b/a)
Purchase of intangible, tangible and rights of use assets on an accrual basis	**1,190**	25	37	1	—	**63**	—	**63**	5.3
Dividends paid	**—**	—	—	—	—	**—**	—	**—**	—

(*) Vivendi Group and companies belonging to the group that it belongs to; Cassa Depositi e Prestiti Group and its subsidiaries; other related parties through Directors, Statutory Auditors and Key Managers.

Transactions with subsidiaries

The major values in the transactions with subsidiaries are summarized in the following tables.

It should be noted that TIM S.p.A. sold its controlling stakes in FiberCop S.p.A. and Telenergia S.r.l. as part of the NetCo transaction on July 1, 2024, the date on which these companies ceased to be related parties; therefore, at December 31, 2024 the financial position line items concerning the company are zero, and the income statement line items for the 2024 financial year reflect the transactions carried out up to the date of sale.

SEPARATE INCOME STATEMENT LINE ITEMS

(million euros)	2024	2023	Type of contract
Revenues			
FiberCop S.p.A.	661	1,360	Commissioned construction of secondary copper and fiber network developments; ordinary and extraordinary maintenance services on the secondary copper and fiber network; administrative services related to the IRU acquisition and transfer of secondary access network installation infrastructure; provision of Erp, separation, Desktop Management, TSA, SDI-AM services; voice services
TIM Retail S.r.l.	69	80	Supply of products intended for public sale; voice services, data transmission, MPLS connectivity, advanced hosting and ICT services for corporate use; property leases
Telecom Italia Sparkle S.p.A.	33	41	Customized voice and data transmission services, services relating to the interconnection between Telecom Italia Sparkle and TIM communications networks with particular reference to accesses and international traffic, dual IMSI services, sale of IRU dark fiber and installation infrastructures, property leasing and facility services, Oracle software maintenance, royalties
TIM S.A.	29	31	Roaming services; assistance and provision of licenses in the field of network, information technology, marketing & sales activities; Royalties Trademark License Agreement
Noovle S.p.A. Società Benefit	26	27	Voice services, supply of ICT products, real estate and operating services, facility services, security services
Olivetti S.p.A. Società Benefit	5	5	Fixed and mobile telephony services and equipment sales, MPLS and fiber connectivity services for the national data network, property leases, HP system hardware maintenance, dimensional upgrade of the APN Shared platform, functional evolution of the Capillary Network and Capnet platform for provisioning and managing equipment
Telecontact Center S.p.A.	3	4	Lease of properties and facility management services, supply of fixed and mobile network and IP connectivity telecommunications products and services, security services
Telecom Italia Trust Technologies S.r.l.	2	3	Voice services, management and supply of ICT Security & Risk Management services, property leasing, Spid activation service
Telsy S.p.A.	3	3	Fixed and mobile telephony services and supply of products and licenses, property leases and facility management services
TIM Servizi Digitali S.p.A.	—	3	Fixed and mobile telephony services, sale of materials to be used to develop the FTTH network
Telenergia S.r.l.	1	2	Outsourcing for company business, supply of operative assistance services
Telecom Italia S.Marino S.p.A.	2	2	Connection and telecommunications services (interconnection contracts for the sale of data services such as bitstream; IRU transfer of dark fiber connections and installation infrastructures; ULL; Shared Access; DSLAM devices; SUBLOOP FTTC), voice services and equipment
Telefonia Mobile Sammarinese S.p.A.	1	1	Mobile voice services and equipment sales
Total revenues	**835**	**1,562**	

(million euros)	2024	2023	Type of contract
Other income			
Noovle S.p.A. Società Benefit	35	34	Recovery of seconded personnel costs, refunds of costs of centralized services, other income
Telecom Italia Sparkle S.p.A.	2	2	Refunds of costs for centralized services, other income
FiberCop S.p.A.	3	2	Fees for corporate office, penalties
Telecontact Center S.p.A.	2	2	Refunds of costs for centralized services, other income
TIM Servizi Digitali S.p.A.	—	1	Penalties for contractual breaches, recovery of seconded personnel costs, other income
TIM Retail S.r.l.	1	1	Recovery of seconded personnel costs, other income
Olivetti S.p.A. Società Benefit	1	1	Recovery of seconded personnel costs, refunds of costs of centralized services, other income
Other minor companies	2	3	
Total other income	**46**	**46**	
Acquisition of goods and services			
FiberCop S.p.A.	591	1,191	Fee for use of the secondary access network for the provision of copper and fiber access services to Operators; costs for failure to achieve the Special Commitment 2021-23 required under the MSA; travel costs
Noovle S.p.A. Società Benefit	501	421	Minimum commitment fee for operating services; professional IT services; customized services by TIM to end customers; supply of ICT products; colocation service for security and judiciary systems in Noovle data centers; GCP use, professional services, Azure use, on-premise services; cloud use on Google, Azure and Amazon Web Services consoles; infrastructure costs for the Tim Cloud and Consip project; Google license reselling (G Suite); colocation service on Noovle data center, revenue-share payment as part of offers to TIM end customers
Telenergia S.r.l.	140	354	Electricity supply
Telecom Italia Sparkle S.p.A.	152	167	Portion to be paid for telecommunications services and interconnection costs, telephone services, data transmission; maintenance of undersea cables
TIM Retail S.r.l.	110	117	Services for acquisition of new customers, information activities and post-sales support for TIM customers, activities for the promotion of TIM's image and distinctive brands through point-of-sale windows
Telsy S.p.A.	139	77	Customized services and purchase of products for resale and lease as part of TIM offerings for end customers; ICT security solutions and services; maintenance services and software licenses; services for the National Strategic Hub and for participating User Administrations
Telecontact Center S.p.A.	58	63	Customer care services for TIM customers and public administration; call-center and back office services related with technical and commercial public telephone front end data management
Olivetti S.p.A. Società Benefit	45	44	Cloud printing service; customized services and purchase of products for resale and lease as part of TIM offerings for end customers; ICT services; supply, installation and assistance of ICT products; after-sales assistance as part of TIM offers for end customers; development upgrades of projects and platforms; licenses for use of software platforms, software upgrades; Cloud enabling services for Public Administrations; end-to-end solutions on the Jasper and intermediate platform by TIM under the contract for the development, management and commercialization of Machine to Machine and Internet of Things services; services for the National Strategic Hub and for participating User Administrations

Telecom Italia Trust Technologies S.r.l.	31	29	Certification Authority service for TIM and as part of offers to TIM end customers; regulation-compliant storage of PECs from TIM's institutional mailbox; management and substitute storage services for administrative-accounting documentation; Digital Identity management services through the SPID platform; cloud computing, security services, website creation and online services and application cooperation for public administrations; payment prompting services to TIM customers; digital signature certificates; services for the National Strategic Hub and for participating User Administrations
Tim Servizi Digitali S.p.A.	—	28	Tender contract for network works (assurance activities, delivery, network construction)
TIM S.A.	2	2	Roaming services
Staer Sistemi S.r.l.	—	1	Services for the National Strategic Hub and for participating User Administrations application management and database monitoring and protection platform
Other minor companies	3	1	
Total acquisition of goods and services	**1,772**	**2,495**	
Employee benefits expenses	**9**	**7**	Costs to Noovle, Telecontact and Olivetti for seconded
Other operating expenses	**4**	**2**	Costs for penalties to FiberCop S.p.A. and operating costs for guarantees of origin to Telenergia S.r.l.
Amortization of rights of use assets			
FiberCop S.p.A.	5	11	Amortization of rights of use for secondary access network installation infrastructures (underground and aerial), acquired in IRU for the sale for exclusive use of the same infrastructures to Operators
Noovle S.p.A. Società Benefit	4	4	Amortization of rights of use on buildings
Total amortization of rights of use assets	**9**	**15**	
Income (expenses) from investments			
Telecom Italia Finance S.A.	—	988	Dividends
FiberCop S.p.A.	—	84	Dividends
Telecom Italia S.Marino S.p.A.	2	1	Dividends
Total income (expenses) from investments	**2**	**1,073**	
Finance income			
Telecom Italia Capital S.A.	298	281	Income from derivatives
FiberCop S.p.A.	83	142	Interest income on financial receivables, financial commission income
Telecom Italia Finance S.A.	33	43	Income from securities, income from derivatives
Noovle S.p.A. Società Benefit	44	40	Interest income on financial receivables
Telecom Italia Sparkle S.p.A.	23	16	Interest income on financial receivables
Telenergia S.r.l.	1	3	Interest income on financial receivables, financial commission income
Telsy S.p.A.	2	2	Interest income on financial receivables
Other minor companies	1	1	
Total finance income	**485**	**528**	
Finance expenses			
Telecom Italia Capital S.A.	478	419	Interest expense on financial payables, charges on derivatives
Telecom Italia Finance S.A.	191	222	Interest expense on financial payables, charges on derivatives
Noovle S.p.A. Società Benefit	1	—	Interest expense associated with rights of use on buildings
Other minor companies	—	1	
Total finance expenses	**670**	**642**	

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2024	12/31/2023	Type of contract
Net financial debt			
Non-current financial assets			
FiberCop S.p.A.	—	2,080	Loan
Noovle S.p.A. Società Benefit	892	884	Financing and lease contracts
Telecom Italia Finance S.A.	72	73	Derivative assets
Telecom Italia Sparkle S.p.A.	111	60	Loan
Telsy S.p.A.	39	24	Loan
Other minor companies	1	—	
Total non-current financial assets	**1,115**	**3,121**	
Financial receivables and other current financial assets			
Telecom Italia Sparkle S.p.A.	387	358	Short-term financial receivables
Telecom Italia Finance S.A.	2	54	Derivative assets
Telecom Italia Capital S.A.	15	29	Derivative assets
Telsy S.p.A.	—	12	Short-term financial receivables
Staer Sistemi S.r.l.	—	4	Short-term financial receivables
Noovle S.p.A. Società Benefit	5	4	Short-term financial receivables and receivables from lease contracts
Olivetti S.p.A. Società Benefit	5	—	Short-term financial receivables
FiberCop S.p.A.	—	1	Short-term financial receivables
Other minor companies	—	1	
Total financial receivables and other current financial assets	**414**	**463**	
Cash and cash equivalents			Treasury current accounts
Noovle S.p.A. Società Benefit	87	28	
Telenergia S.r.l.	—	10	
Total Cash and cash equivalents	**87**	**38**	
Non-current financial liabilities			
Telecom Italia Capital S.A.	1,633	3,429	Hedging derivatives and financial payables
Telecom Italia Finance S.A.	806	1,191	Hedging derivatives and financial payables
Noovle S.p.A. Società Benefit	16	21	Non-current financial liabilities related to the recognition of rights of use for building lease liabilities
Total Non-current financial liabilities	**2,455**	**4,641**	

(million euros)	12/31/2024	12/31/2023	Type of contract
Current financial liabilities			
Telecom Italia Finance S.A.	898	1,147	Financial payables, payables for current accounts, derivative liabilities
Telecom Italia Capital S.A.	443	485	Hedging derivatives, derivative liabilities
TIM Retail S.r.l.	66	65	Payables for current account transactions
Telecom Italia Ventures S.r.l.	61	57	Payables for current account transactions
Telecom Italia Sparkle S.p.A.	61	52	Payables for current account transactions
Telecontact Center S.p.A.	36	44	Payables for current account transactions
FiberCop S.p.A.	—	36	Payables for current account transactions and financial liabilities connected with rights of use
Olivetti S.p.A. Società Benefit	7	12	Payables for current account transactions
Telecom Italia Trust Technologies S.r.l.	15	11	Payables for current account transactions
TIM My Broker S.r.l.	12	9	Payables for current account transactions
Telsy S.p.A.	17	8	Payables for current account transactions
Noovle S.p.A. Società Benefit	4	4	Financial rights of use liabilities
Tim Servizi Digitali S.p.A.	—	—	Payables for current account transactions
Total Current financial liabilities	**1,620**	**1,930**	
Other statement of financial position line items			
Rights of use assets			
FiberCop S.p.A.	—	128	Rights of use for secondary access network installation infrastructures (underground and aerial), acquired in IRU for the sale for exclusive use of the same infrastructures to Operators
Noovle S.p.A. Società Benefit	19	24	Rights of use on buildings
Total rights of use assets	**19**	**152**	
Miscellaneous receivables and other non-current assets	**155**	**300**	Deferred contractual and other deferred costs mainly for transactions with Telecontact (customer care services) and TIM Retail (new activations), receivables for tax consolidation

(million euros)	12/31/2024	12/31/2023	Type of contract
Trade and miscellaneous receivables and other current assets			
FiberCop S.p.A.	—	944	Carrying out of works on behalf of FiberCop on developments of secondary copper and fiber network, ordinary and extraordinary maintenance services on the secondary copper and fiber network, fee income for administrative services connected with the IRU transfer and acquisition of secondary access network installation infrastructures, supply of ERP, separation, desktop management, TSA, SDI-AM and voice services; Receivables for tax consolidation
Noovle S.p.A. Società Benefit	155	160	Trade receivables for voice services, supply of ICT products, property and operating services, facility services, security services, recovery of seconded personnel costs, refunds of centralized services; Deferred costs
TIM Retail S.r.l.	63	53	Trade receivables for supply of products for sale to the public, voice and data transmission services, MPLS connectivity, advanced hosting and ICT services for company use, property leasing; Deferred contract costs; Receivables for tax consolidation
TIM S.A.	24	26	Roaming services, license support and provision as part of network operations, information technology, marketing & sales, Royalties Trademark License Agreement
Telecontact Center S.p.A.	21	25	Trade receivables for lease of properties and facility management services, supply of fixed and mobile network and IP connectivity telecommunications products and services, security services Deferred contract costs
Telecom Italia Sparkle S.p.A.	16	15	Customized voice and data transmission services, services relating to the interconnection between Telecom Italia Sparkle and TIM communications networks with particular reference to accesses and international traffic, sale of IRU dark fiber and installation infrastructures, property leasing and facility services, Oracle software maintenance, royalties
Telsy S.p.A.	12	11	Deferred costs; Trade receivables for the provision of equipment and licenses, as part of TIM offerings to end customers, property leases and facility management services
Olivetti S.p.A. Società Benefit	6	5	Fixed and mobile telephony services and equipment sales, MPLS and fiber connectivity services for the national data network, property leases, HP system hardware maintenance, dimensional upgrade of the APN Shared platform, functional evolution of the Capillary Network and Capnet platform for provisioning and managing equipment
Telenergia S.r.l.	—	4	Outsourcing for company business, supply of operative assistance services; Receivable for tax consolidation
Telecom Italia Trust Technologies S.r.l.	4	4	Trade receivables for voice outsourcing services, management and supply of ICT Security & Risk Management services, property leasing, Spid activation service, administrative outsourcing; Deferred costs
Telecom Italia Capital S.A.	1	1	Commission on the provision of surety
Telecom Italia S.Marino S.p.A.	1	1	Connection and telecommunications services (interconnection contracts for the sale of data services such as bitstream; IRU transfer of dark fiber connections and installation infrastructures; ULL; Shared Access; DSLAM devices; SUBLOOP FTTC), voice services and equipment sales
Telecom Italia Finance S.A.	—	—	Commission on the provision of surety
Other minor companies	1	2	
Total trade and miscellaneous receivables and other current assets	**304**	**1,251**	

(million euros)	12/31/2024	12/31/2023	Type of contract
Miscellaneous payables and other non-current liabilities			
Telecom Italia Sparkle S.p.A.	1	7	Deferred revenues from interconnection contracts, payables for tax consolidation
Noovle S.p.A. Società Benefit	—	5	Payables for tax consolidation
Olivetti S.p.A. Società Benefit	—	1	Payables for tax consolidation
Telecom Italia S.Marino S.p.A.	—	1	Deferred revenues for connection and telecommunications services contracts
Total miscellaneous payables and other non-current liabilities	**1**	**14**	
Trade and miscellaneous payables and other current liabilities			
FiberCop S.p.A.	—	368	Trade payables for the use of the secondary access network for the provision of copper and fiber access services to Operators, for failure to achieve the Special Commitment 2021-23 required under the MSA, travel costs; VAT and tax consolidation payables
Noovle S.p.A. Società Benefit	239	147	Trade payables for operating service minimum commitment charge, customized TIM offer services to end customers, supply of ICT products, colocation service of security and judiciary systems in Noovle data center, GCP consumptions, professional services, Azure consumptions, on-premise services; cloud use on Google, Azure and Amazon Web Services consoles, infrastructure costs for the Tim Cloud and Consip project, reselling of Google licenses (G Suite); colocation services on Noovle data center, revenue-share payment as part of offers to TIM end customers; payables for tax consolidation
Telenergia S.r.l.	—	92	Trade payables for electricity supply; VAT payables
Telecom Italia Sparkle S.p.A.	59	64	Trade payables for the portion to be paid for telecommunications services and interconnection costs, telephone services, data transmission and maintenance of undersea cables; payables for tax consolidation
Telsy S.p.A.	47	50	Customized services and purchase of products for resale and rental as part of TIM offerings to end customers, ICT solutions and security services for TIM, maintenance services and software licenses, services for the National Strategic Hub and for participating User Administrations
TIM Retail S.r.l.	34	33	Trade payables for services for acquisition of new customers, information activities and post-sales support for TIM customers, activities for the promotion of TIM's image and distinctive brands through point-of-sale windows; tax consolidation payable
Olivetti S.p.A. Società Benefit	23	27	Trade payables for cloud printing service, customized services and purchase of products for resale and hire as part of TIM offerings to end customers, purchase of IT services, ICT product supply, installation and assistance, after-sales support, as part of TIM offerings to end customers, evolutionary developments of projects and platforms, software platform licenses, software developments, cloud enabling services for public administrations, end-to-end solutions on Jasper platform and intermediated by TIM, under the scope of the contract for the development, management and marketing of machine to machine services and Internet of Things; services for the National Strategic Hub and for participating User Administrations
Telecom Italia Trust Technologies S.r.l.	14	14	Certification authority service for TIM and within the TIM customer offering, archiving service according to certified email rules for the TIM Certified Electronic Mail box, administrative and accounting documentation services, digital identity management services by means of SPID platform, cloud computing services, security services, creation of portals and online services and application cooperation for public administrations; services for payment prompting to TIM customers, digital signature certificates, services for the National Strategic Hub and for participating User Administrations

(million euros)	12/31/2024	12/31/2023	Type of contract
Telecontact Center S.p.A.	14	11	Trade payables for Customer Care services for TIM customers and public administration, call-center and back office services related with technical and commercial public telephone front end data management; tax consolidation payable
Other minor companies	7	3	
Total trade and miscellaneous payables and other current liabilities	**437**	**809**	

STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2024	2023	Type of contract
Purchase of intangible, tangible and rights of use assets on an accrual basis			
Telsy S.p.A.	18	19	Purchase of ICT security solutions and services, supplies for network infrastructure
Noovle S.p.A. Società Benefit	4	3	License acquisitions
Olivetti S.p.A. Società Benefit	1	1	Investments in platform development and implementation
Telecom Italia Trust Technologies S.r.l.	1	1	Investments in Digital Identity and Certification Authority
Tim Servizi Digitali S.p.A.	—	1	Acquisition of network infrastructure jobs
Total purchases of intangible, tangible and rights of use assets on an accrual basis	**24**	**25**	

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 noted that TIM S.p.A. sold its stakes in Italtel S.p.A., Nordcom S.p.A. and Daphne 3 S.p.A. on July 4, 2024, July 15, 2024 and November 29, 2024, respectively. As of these dates, these companies ceased to be related parties, so the asset values as of December 31, 2024 toward these companies are zeroed out, and the economic values for 2024 reflect the transactions up to the date of sale.

SEPARATE INCOME STATEMENT LINE ITEMS

(million euros)	2024	2023	Type of contract
Revenues			
Polo Strategico Nazionale S.p.A.	183	72	Supply of software and related installation and configuration services; security services; cloud services, Data Center spaces, connectivity, design
ITALTEL S.p.A.	1	2	Fixed and mobile telephony services including equipment, licenses and outsourcing services
NordCom S.p.A.	—	1	Fixed and mobile telephony services including equipment, Microsoft maintenance and licenses, network connections and outsourcing
TIMFin S.p.A.	(29)	(37)	Mobile and fixed voice services, outsourcing services and fees; costs related to financing transactions recorded as a reduction in revenues
Total revenues	**155**	**38**	
Other income	**1**	**1**	Recovery of seconded personnel costs, recovery of centralized expenses
Acquisition of goods and services			
ITALTEL S.p.A.	—	33	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.	7	9	Supply, installation and technical assistance services for geolocation equipment provided as part of offers to TIM customers, software development
Other minor companies	—	1	
Total acquisition of goods and services	**7**	**43**	
Income (expenses) from investments			
Daphne 3 S.p.A.	11	12	Dividends
Total income (expenses) from investments	**11**	**12**	
Finance expenses			
TIMFin S.p.A.	4	4	Finance expenses for commission and other finance
Total finance expenses	**4**	**4**	

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2024	12/31/2023	Type of contract
Net financial debt			
Current financial liabilities			
TIMFin S.p.A.	1	2	Financial liabilities for expenses on the transfer of receivables
Total Current financial liabilities	**1**	**2**	

(million euros)	12/31/2024	12/31/2023	Type of contract
Other statement of financial position line items			
Miscellaneous receivables and other non-current assets	**—**	**2**	Prepayment (non-current portion) of costs to Italtel S.p.A.
Trade and miscellaneous receivables and other current assets			
Polo Strategico Nazionale S.p.A.	185	45	Supply of products, software installation and configuration services, cloud servers, Data Center spaces, connectivity and design
ITALTEL S.p.A.	—	2	Supply of fixed and mobile telephone services including equipment, Microsoft licenses and outsourcing services; prepayment (current portion) of costs
W.A.Y. S.r.l.	—	1	Deferred costs for software developments and for supply, installation and technical assistance services for geolocation equipment provided as part of offers to TIM customers
Other minor companies	1	—	
Total trade and miscellaneous receivables and other current assets	**186**	**48**	
Trade and miscellaneous payables and other current liabilities			
ITALTEL S.p.A.	—	7	Supply contracts connected with investment and operation
TIMFin S.p.A.	3	5	Miscellaneous costs for loans
W.A.Y. S.r.l.	3	2	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 payables and other current liabilities	**6**	**15**	

STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2024	2023	Type of contract
Purchase of intangible, tangible and rights of use assets on an accrual basis			
ITALTEL S.p.A.	—	37	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 rights of use assets on an accrual basis	**—**	**37**	

TIM S.p.A. has issued guarantees on behalf of subsidiaries, associates and joint ventures for a total of 3,313 million euros, net of back-to-back guarantees received (5,614 million euros at December 31, 2023).

In particular, the following is noted: 1,925 million euros on behalf of Telecom Italia Capital S.A. (3,620 million euros at December 31, 2023); 787 million euros on behalf of Telecom Italia Finance S.A. (1,172 million euros at December 31, 2023); 198 million euros on behalf of Telecom Italia Sparkle S.p.A. (191 million euros at December 31, 2023); 197 million euros on behalf of Noovle S.p.A. (125 million euros at December 31, 2023); 111 million euros related to Olivetti S.p.A. Società Benefit (104 million euros as of December 31, 2023). Guarantees in the interest of FiberCop S.p.A. were also included as of December 31, 2023. (256 million euros) and Telenergia S.r.l. (89 million euros), which left the scope of consolidation as a result of the NetCo transaction.

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:

- Vivendi Group and the companies of the group that it belongs to;
- Cassa Depositi e Prestiti Group and Group subsidiaries;
- Ministry of Economy and Finance (MEF);
- Companies related through Directors, Statutory Auditors and Key Managers with strategic responsibilities.

It should be noted that, as explained above, the MEF became a related party as of October 4, 2024, so the income statement and balance sheet values as of December 31, 2024 reflect transactions made as of October 4, 2024, while the income statement values for 2023 are zeroed out.

SEPARATE INCOME STATEMENT LINE ITEMS

(million euros)	2024	2023	Type of contract
Revenues			
Cassa Depositi e Prestiti Group	79	118	IRU transfer of rights to use dark fiber installation and infrastructures; housing services, dark fiber maintenance and dedicated GEA/GigaNet connectivity; fixed and mobile telephony services including equipment; application outsourcing services, cloud services, equipment maintenance services
Total revenues	**79**	**118**	
Acquisition of goods and services			
Havas Group	52	61	Service & advisory activities in the purchase of media space by TIM; 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	6	6	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
Cassa Depositi e Prestiti Group	1	(1)	Concession of the installation of sheaths for telecommunication cables along the motorway segments (occupation of soil and movement of cables); maintenance of the Open Fiber network in Milan and Genoa (primary network share)
Total acquisition of goods and services	**59**	**66**	
Finance income	**1**	**1**	Interest income on trade receivables to Cassa Depositi e Prestiti Group

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2024	12/31/2023	Type of contract
Net financial debt			
Non-current financial assets	**—**	**1**	Non-current financial payables to the Cassa Depositi e Prestiti Group for the IRU transfer of rights of use to installation and dark fiber infrastructure
Financial receivables and other current financial assets	**24**	**1**	Current financial payables to the Cassa Depositi e Prestiti Group for the IRU transfer of rights of use to installation and dark fiber infrastructure
Other statement of financial position line items			
Rights of use assets	**—**	**2**	Rights to the Cassa Depositi e Presiti Group for the use of the Open Fiber network in Milan and Genoa
Trade and miscellaneous receivables and other current assets			
Cassa Depositi e Prestiti Group	9	25	Housing services, dark fiber maintenance and dedicated GEA/GigaNet connectivity; fixed and mobile telephony services including equipment; application outsourcing services, cloud services, equipment maintenance services
Total trade and miscellaneous receivables and other current assets	**9**	**25**	
Miscellaneous payables and other non-current liabilities			
Cassa Depositi e Prestiti Group	—	18	Deferred income on deferred fees
Total miscellaneous payables and other non-current liabilities	**—**	**18**	
Trade and miscellaneous payables and other current liabilities			
Havas Group	12	24	Service & advisory activities in the purchase of media space by TIM; 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
Cassa Depositi e Prestiti Group	1	6	Concession of the installation of sheaths for telecommunication cables along the motorway segments (occupation of soil and movement of cables); maintenance of the Open Fiber network in Milan and Genoa (primary network share)
Vivendi group	1	2	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 trade and miscellaneous payables and other current liabilities	**14**	**32**	

STATEMENT OF CASH FLOWS LINE ITEMS

(million euros)	2024	2023	Type of contract
Purchase of intangible and tangible assets on an accrual basis	**12**	**1**	Investments in intangible and tangible assets (supplier: Open Fiber), in relation to the 5G Coverage Plan under the NRRP

Transactions with pension funds

The most significant amounts are summarized as follows:

SEPARATE INCOME STATEMENT LINE ITEMS

(million euros)	2024	2023	Type of contract
Employee benefits expenses			Contributions to pension funds
Fontedir	6	7	
Telemaco	39	57	
Total Employee benefits	**45**	**64**	

STATEMENT OF FINANCIAL POSITION LINE ITEMS

(million euros)	12/31/2024	12/31/2023	Type of contract
Trade and miscellaneous payables and other current liabilities			Payables for contributions to pension funds
Fontedir	1	2	
Telemaco	8	18	
Total trade and miscellaneous payables and other current liabilities	**9**	**20**	

Remuneration to Key Managers with Strategic Responsibilities

In 2024, the total remuneration recorded on an accrual basis by TIM S.p.A. in respect of key managers amounted to 14 million euros (16 million euros at December 31, 2023). The figure breaks down as follows:

(million euros)	2024	2023
Short-term remuneration	13	14
Long-term remuneration	—	—
Employment termination benefit incentives	—	—
Share-based payments (*)	1	2
Total	**14**	**16**

(*) These refer to the fair value, accrued to December 31, of rights under the incentive plans of TIM S.p.A. (Long Term Incentive and Stock Options Plan).

Short-term remuneration is paid during the reference year, and, at the latest, within the six months following the end of that period.

It bears noting that the remuneration for the 2024 financial year does not include the negative difference of -0.4 million euros between the actual disbursement and the remuneration established in the 2023 financial year. Likewise, it does not include the taxable amount of the shares of the LTI Plan 2021-2023 assigned during the first half of 2024, equal to 0.5 million euros.

In 2024, the contributions paid in to defined contribution plans (Assida and Fontedir) by TIM S.p.A. on behalf of key managers, amounted to 232 thousand euros (231 thousand euros at December 31, 2023).

With regard to the remuneration to Directors and Statutory Auditors due for the 2024 financial year, we refer you (pursuant to art. 2427, n.16 of the Civil Code) to the Remuneration Report, which is available at the Company's headquarters and on the website www.gruppotim.it/gruppo/governance/remuneration/report.html.

In 2024, "Key managers", 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	(1)	Chief Financial Officer
Paolo Chiriotti	(2)	Chief Human Resources & Organization Officer
Simone De Rose	(3)	Chief Procurement & Logistics Officer
Giampaolo Leone	(4)	Chief Procurement & Logistics Officer
Massimo Mancini	(5)	Chief Enterprise Market Officer
Roberto Mazzilli	(6)	Chief IT Group Officer
Giovanni Gionata Massimiliano Moglia	(7)	Chief Regulatory Affairs Officer
Agostino Nuzzolo	(8)	Chief Legal, Regulatory & Tax Officer
Claudio Giovanni Ezio Ongaro	(9)	Chief Strategy, Business Development & Wholebuy Officer
Elisabetta Romano	(10)	Chief Network, Operations & Wholesale Officer
Andrea Rossini		Chief Consumer, Small & Medium and Mobile Wholesale Market Officer
Eugenio Santagata	(11)	Chief Public Affairs, Security and International Business Officer
Elio Schiavo		Chief Enterprise and Innovative Solutions Officer

(1) From November 24, 2023 to June 30, 2024, also Interim Head of Administration, Finance & Control in the Chief Network, Operations & Wholesale Office.
(2) From November 24, 2023, to June 30, 2024, also Interim Head of Human Resources and Organization in the Chief Network, Operations & Wholesale Office.
(3) Until October 23, 2024. From November 24, 2023, to June 30, 2024, also Interim Head of Procurement in the Chief Network, Operations & Wholesale Office.
(4) Since October 24, 2024.
(5) Until March 6, 2024.
(6) Since September 27, 2024.
(7) Until June 30, 2024. From November 24, 2023, also Interim Head of Regulatory Affairs in the Chief Network, Operations & Wholesale Office.
(8) Head of Legal & Tax until September 27, 2024 and Head of Legal, Regulatory & Tax since September 28, 2024. From November 24, 2023, to June 30, 2024, also Interim Head of Legal & Tax in the Chief Network, Operations & Wholesale Office.
(9) From November 24, 2023, to June 30, 2024, Interim Head of Strategy & Business Development in the Chief Network, Operations & Wholesale Office.
(10) Until June 30, 2024.
(11) Head of Public Affairs & Security Office until September 27, 2024. From November 24, 2023 to June 30, 2024, also Interim Head of Public Affairs & Security in the Chief Network, Operations & Wholesale Office.

NOTE 38
EQUITY COMPENSATION PLANS

The Shareholders' Meeting of April 23, 2020 approved the launch of the rolling and equity based long-term incentive plan called LTI 2020-2022.

The Plan envisaged three incentive cycles, connected with the performance three-year periods 2020-2022, 2021-2023, 2022-2024; over time, two of the three incentive cycles have been launched: 2020-2022, 2021-2023.

On April 7, 2022, the Shareholders' Meeting approved, after acknowledging the changes in scenario, the obsolescence of the 2020-2022 Long Term Incentive Plan and replaced the third cycle of this plan with the new 2022-2024 Stock Option Plan described below, which completed its vesting period on December 31, 2024.

For more details on the 2020-2022 LTI and 2021-2023 LTI Plans, see the Financial Statements of TIM S.p.A. as at December 31, 2022 and December 31, 2023.

Description of stock option plans

TIM S.p.A. 2022-2024 Stock Option Plan

The Shareholders' Meeting held on April 7, 2022, approved the one-shot 2022-2024 Stock Option Plan with the aim of attracting, retaining and providing long-term incentives for Group managers, who are the Plan's beneficiaries.

The final results of the objectives tied to this Plan were approved by the TIM S.p.A. Board of Directors on March 5, 2025.

It should be noted that these plans do not have a significant impact on profit and loss or the balance sheet as of December 31, 2024.

The Plan has a strike price of 0.4240 euros, a three-year vesting period (1.1.2022-12.31.2024) and a two-year exercise period (from approval of the 2024 financial statements and through to the next two years).

The following performance conditions are also envisaged for the three-year period 2022-2024:

- Cumulative (reported) Economic-financial indicator (EBITDA-CapEx) with a weight of 70%;
- ESG indicators with a total weight of 30%, structured into:
  - percentage of women in positions of responsibility (15%);
  - percentage of consumption of renewable energies (15%).

The level of achievement of the indicators determines the accrual of option rights over an interval that ranges from -10% to +10% with respect to the target number allocated per bracket.

At December 31, 2024, there were a total of 142 addressees and the number of options assigned at target is 196,144,979.

For further details, see the Information Document on the initiative at
https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2022/ita/Doc-informativo-Piano-stockoption-22-24.pdf.

Calculation of fair value measurement of the granted options and rights

Parameters used to determine the fair value

Plans/Parameters	Exercise price (euros)	Nominal value (euros) (1)	Volatility (2)	Duration	Expected dividends (euros) (3)	Risk-free interest rate (4)
SOP 2022-2024	0.424	—	34.6%	3 years	0.02	0.479% at 3 years

(1) Arithmetic mean of the official prices of the Shares recognized starting from the stock market trading day prior to that of assignment until the thirtieth previous ordinary calendar day (both included) on the Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A., calculated using only the days to which the prices taken as the basis of calculation refer as the divisor, cut off at the second decimal.
(2) Based on the performance objectives of the plan, the TIM share volatility values were considered and, if necessary, also those of the securities of the major companies of the telecommunications sector ("peer basket").
(3) Dividends have been estimated on the basis of Bloomberg data.
(4) The risk-free interest rate refers to the rate of government bonds of the Federal Republic of Germany (market benchmark for transactions in euros) on the valuation date with a maturity consistent with the reporting period.

Effects on the income statement and statement of financial position

Equity compensation plans which call for payment in equity instruments are recorded at fair value which represents the cost of such instruments at the grant date and is recorded in the separate income statements under “Employee benefits expenses” over the period between the grant date and the vesting period with a contra-entry to the equity reserve (“Other equity instruments”). For the portion of the plans that provide for the payment of compensation in cash, the amount is recognized in liabilities as a contra-entry to “Employee benefits expenses”. Equity compensation plans which call for payment in equity instruments did not have significant impacts either on the income statements or the statements of financial position or of cash flows of TIM S.p.A at December 31, 2024.

NOTE 39

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The impact of non-recurring events and transactions on equity, profit, net financial debt and cash flows is set out below in accordance with Consob Communication DEM/6064293 dated July 28, 2006:

(million euros)		Equity	Profit (loss) for the year	Net financial debt	Cash flows (*)
Carrying amount	**(a)**	**12,103**	**(1,242)**	**9,915**	**—**
Other income - Contingent gain		55	55	—	—
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses		(24)	(24)	24	(24)
Employee benefits expenses - Charges connected to corporate reorganization/restructuring and other costs		(80)	(80)	438	(438)
Other operating expenses - Expenses related to disputes and regulatory sanctions and potential liabilities related to them, other provisions and charges		(40)	(40)	167	(167)
Gains (losses) on disposals of non-current assets		3	3	(1)	1
Income/(expenses) from investments		26	26	(269)	269
Finance income		3	3	—	—
Finance expenses		(28)	(28)	—	—
Total non-recurring effects	**(b)**	**38**	**38**	**359**	**(359)**
Income / (Expenses) relating to Discontinued operations	**(c)**	**123**	**123**	**(11,644)**	**4,169**
Figurative amount – financial statements	**(a-b-c)**	**11,942**	**(1,403)**	**21,200**	**(3,810)**

(*) Cash flows refer to the increase (decrease) in Cash and cash equivalents during the year.

The impact of non-recurring items on the separate income statement line items is as follows:

(million euros)	2024	2023
Operating revenues and other income	**55**	**—**
Other income - Contingent gain	55	—
Acquisition of goods and services, Change in inventories	**(24)**	**(35)**
Acquisition of goods and services - Expenses related to agreements and the development of non-recurring projects and other expenses	(24)	(35)
Employee benefits expenses	**(84)**	**(466)**
Expenses related to corporate reorganization/restructuring and other costs	(84)	(466)
Other operating expenses	**(44)**	**(132)**
Expenses related to disputes and regulatory sanctions and potential liabilities related to them, other provisions and charges	(44)	(132)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	**(97)**	**(633)**
Gains (losses) on disposals of non-current assets	**3**	**2**
Gains on disposals of non-current assets	3	2
Impact on Operating profit (EBIT)	**(94)**	**(631)**
Income / (expenses) from investments	**26**	**(15)**
Net gain/(loss) on disposal of investments	26	(15)
Finance income	**3**	**—**
Other finance income	3	—
Finance expenses	**(28)**	**(34)**
Other finance expenses	(28)	(34)
Impact on profit (loss) before tax from continuing operations	**(93)**	**(680)**
Income tax expense on non-recurring items	8	13
Income / (Expenses) relating to Discontinued operations	**123**	**(6)**
Impact on profit (loss) for the year	**38**	**(673)**

NOTE 40

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 2024 no atypical and/or unusual transactions, as defined by that Communication, were pursued.

NOTE 41

OTHER INFORMATION

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)	2024	2023
Research and development costs expensed during the year	35	39
Capitalized development costs	468	511
Total research and development costs (expensed and capitalized)	**503**	**550**

The reduction of 47 million euros compared to fiscal year 2023 can be attributed partly to the time rescheduling of some projects (IPCEI, Public Safety) and partly to the reduction of spending related to*information technology* as a result of efficiency and rationalization of suppliers.
In the 2024 separate income statement, depreciation/amortization charges totaling 520 million euros were recorded for development costs capitalized during the year and in prior years.

Research and development activities conducted by TIM S.p.A. are detailed in the Report on Operations ("Innovation, Research and Development" section).

Lease income

TIM has entered into lease agreements for land and buildings for office use and industrial use, infrastructure sites for the mobile network and network infrastructures; at December 31, 2024, the lease installments at nominal value still to be collected totaled:

(million euros)	12/31/2024	12/31/2023
Within next year	58	112
From 1 to 2 years after the end of the reporting period	20	62
From 2 to 3 years after the end of the reporting period	18	57
From 3 to 4 years after the end of the reporting period	17	54
From 4 to 5 years after the end of the reporting period	15	53
Beyond 5 years after the end of the reporting period	11	50
Total	**139**	**388**

Public Funds

Italian Law 124/2017 requires that information on subsidies, contributions, paid assignments and economic benefits of any kind received from public administrations be provided. In relation to this, funds received are shown in the following table:

Distributing entity	Area of intervention	Received in 2024 (million euros)	Received in 2023 (million euros)
Fondimpresa/ Fondirigenti	training	2	3
Infratel	construction of network infrastructure	7	758 (*)
Ministry of Enterprises and Made in Italy (MIMIT)(1)	research and innovation	32	3
ANPAL	training	1	3
Other (2)	research	1	1
Total		**43**	**768**

(*) include 488 million euros collected on January 2, 2024; 705 million euros were disbursed to FiberCop on July 1, 2024.

(1) 2024 - includes the Tim Edge & Cloud Continuum, TIMONE, CADUCEO Projects
2023 - includes the ChAALenge and TIMONE Projects

(2) 2024 - MUR and the Lombardy Region, Sector affected: research
2023 – MUR; Sector affected: research

In 2024, TIM S.p.A. received an advance of 31.2 million euros on non-repayable grants for the Tim Edge & Cloud Continuum project, targeted at research and development of a next-generation Edge and Cloud environment. These benefits were granted by the Ministry of Enterprises and Made in Italy under the IPCEI Fund, in accordance with Article 5 of the Decree of April 21, 2021.

With regard to the Investment Project for the implementation of broadband infrastructure in the Tuscany Region (PNLB), TIM received non-repayable grants in the amount of 7 million euros in 2024. The Project falls under Aid Scheme no. SA.33807(2011/N) concerning the implementation of the "National Broadband Italy Plan," authorized by the European Commission in Decision C(2012) 3488 of May 24, 2012. In January 2015, TIM S.p.A. was admitted to the benefit scheme of Infratel Italia S.p.A. The scheme began on March 11, 2015, and it finished being implemented on October 30, 2017.

TIM also received non-repayable grants of EUR 0.7 million euros in 2024 and EUR 0.9 million euros in 2023 in relation to the "TIMONE - TIM Oss for Network Evolution" research and development project (Scheme no. F/140007/00/X39). TIM was admitted to the benefit scheme of the Italian facilities by the Ministry of Economic Development (now Ministry of Enterprises and Made in Italy) in June 2020 (M.D. 0002324 - 06/03/2020). The 6 Goals of the TIMONE scheme were target at OSS transformation and evolution activities in the areas of Network Creation & Inventory, Fulfillment, Assurance and AI/CC/ML. The Project, which has been operational since October 1, 2019, ended in implementation activities on September 30, 2022.

TIM was admitted to the benefits scheme introduced by the Ministerial Decree of March 5, 2018, of the Ministry of Enterprise and Made in Italy (MIMIT) for two R&D projects concerning technological innovation in the health sector: ChAALenge (Scheme no. F/180016/01-05/X43) and CADUCEO (Scheme no. F/180025/01-05/X43 - “Cloud plAtform for intelligent prevention and Diagnosis sUpported by artifiCial intelligEnce solutiOns"). The ChAALenge project’s “Smart Everything Everywhere” model aims to improve the quality of life of frail people in every environment by building an integrated system to support frailty and aging. The project was rolled out on January 1, 2021 and wrapped up on December 31, 2023. TIM received non-repayable grants of 0.4 million euros in 2023. No disbursements were made in FY2024. The CADUCEO project aims to create an advanced cloud platform supported by AI-based solutions for intelligent prevention and diagnosis in the field of health. The project’s core concept is to harness the power of AI and cloud computing to improve medical diagnosis and prevention strategies. The project was rolled out on January 11, 2021 and wrapped up on December 31, 2024. TIM received non-repayable grants of 0.2 million euros in 2024.

Summary schedule of fees due to the audit firm and other firms in its network

The following schedule reports the fees due to EY S.p.A. for the audit of the 2024 financial statements, and the fees referring to the year 2024 for other audit and review services, and for other services besides audit rendered to TIM by EY and other firms in the EY network. The out-of-pocket expenses incurred for these services in 2024 are also shown.

(in euro thousands)	TIM S.p.A. EY S.p.A.	Other firms of the EY network	**Total EY network**
Audit services:			
audit of the separate financial statements	1,074		1,074
audit of the consolidated financial statements	222		222
audit of the internal control system that supervises the process of preparation of the consolidated financial statements and limited statutory audit of the financial disclosure as at March 31 and September 30	1,108		1,108
limited audit of the half-year consolidated financial statements	224		224
other	787		787
Audit services with the issue of certification	479		479
Certification of compliance of the Consolidated Non-Financial Statement	360		360
Other services	—		—
Total 2024 fees due for auditing and other services to the EY network	**4,254**	**—**	**4,254**
Out-of-pocket expenses	39		39
Total	**4,293**	**—**	**4,293**

NOTE 42
EVENTS AFTER DECEMBER 31, 2024

TIM S.p.A.: the BoD approved MEF and Retelit's bid for Sparkle

On February 12, 2025, TIM's Board of Directors reviewed the binding offer for the purchase of TIM's 100% stake in Telecom Italia Sparkle S.p.A., sent the previous day by the Ministry of Economy and Finance (MEF) and Retelit S.p.A.

The Board, at the outcome of an extensive and thorough review, conducted with the assistance of leading financial and legal advisors, unanimously approved, and with the favorable opinion of the Related Parties Committee, the purchase offer submitted by the MEF and Retelit, which valued Telecom Italia Sparkle S.p.A. at 700 million euros.

Contracts will be signed by April 11, 2025, and the sale is expected to be finalized by the first quarter of 2026, once preparatory activities, including obtaining Antitrust and Golden Power approvals, have been completed.

NOTE 43

LIST OF INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(thousands of euros)	Reg. office		Share capital (1)	Equity (1) (2)	Profit/ (loss) (1)	% Ownership	Share of equity (A) (3)		Carrying amount (B) (4)	Difference (B-A)
Investments in subsidiaries										
CD FIBER S.r.l.	Rome	Euro	50	38	(5)	100.00 %	38		37	(1)
NOOVLE S.p.A. Società Benefit	Milan	Euro	1,000	899,003	(36,193)	100.00 %	899,003		1,079,904	180,901
OLIVETTI S.p.A. Società Benefit	Ivrea (TO)	Euro	11,000	8,179	(2,052)	100.00 %	8,179		8,232	53
TELECOM ITALIA CAPITAL S.A.	Luxembourg	Euro	2,336	118,917	53,623	100.00 %	118,917		2,388	(116,529)
TELECOM ITALIA FINANCE S.A.	Luxembourg	Euro	1,818,692	6,511,464	159,482	100.00 %	6,511,464		5,914,971	(596,493)
TELECOM ITALIA LATAM PARTIC. E GESTÃO ADMIN.	SanPaolo (Brazil)	R$	219,360	4,243	(14,166)					
		Euro	34,098	660	(2,202)	100.00 %	660	(5)	15,995	15,335
TELECOM ITALIA SAN MARINO S.p.A.	San Marino	Euro	1,808	12,053	2,405	100.00 %	12,053		7,565	(4,488)
TELECOM ITALIA SPARKLE S.p.A.	Rome	Euro	200,000	211,912	(70,485)	100.00 %	211,912	(6)	181,130	(30,782)
TELECOM ITALIA VENTURES S.r.l.	Milan	Euro	10	89,393	4,090	100.00 %	89,393		63,635	(25,758)
TELECONTACT CENTER S.p.A.	Naples	Euro	3,000	36,587	(3,644)	100.00 %	36,587		12,654	(23,933)
TELSY S.p.A.	Turin	Euro	5,390	41,984	5,302	100.00 %	41,984		19,522	(22,462)
TIM BRASIL SERVIÇOS E PARTICIPAÇÕES	Rio de Janeiro (Brazil)	R$	8,227,357	7,296,977	1,083,914					
		Euro	1,278,894	1,134,272	168,488	0.00000001 %	—		—	—
TIM MY BROKER S.r.l.	Rome	Euro	10	9,728	1,912	100.00 %	9,728		10	(9,718)
TIM RETAIL S.r.l.	Milan	Euro	2,402	96,581	562	100.00 %	96,581		15,143	(81,438)
									7,321,186	**(715,313)**

(thousands of euros)	Reg. office		Share capital (1)	Equity (1) (2)	Profit/ (losses) (1)	% Ownership	Share of equity (A) (3)	Carrying amount (B) (4)	Difference (B-A)
Investments in associates and joint ventures									
AREE URBANE S.r.l. (in liquidation)	Milan	Euro	100	(114,180)	(3,757)	32.62 %	(37,246)	—	37,246
POLO STRATEGICO NAZIONALE S.p.A.	Rome	Euro	3,000	38,405	(12,395)	45.00 %	17,282	31,500	14,218
TIGLIO I S.r.l. (in liquidation)	Milan	Euro	100	89	(28)	47.80 %	43	—	(43)
TIMFIN S.p.A.	Turin	Euro	40,000	61,227	(708)	49.00 %	30,001	36,750	6,749
								68,250	**58,170**

(1) Calculated from the last approved financial statements. For Subsidiaries, the data were used in accordance with IFRS principles, prepared for consolidation.
(2) Including profit/(loss).
(3) Net of any dividends to be distributed.
(4) Including capital deposits in investments.
(5) Covered by the investment provision.
(6) Data derived from the consolidated financial statements.

CERTIFICATION OF THE FINANCIAL STATEMENTS FOR THE YEAR 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 financial statements for the 2024 fiscal year.
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 Financial Statements for the year ending December 31, 2024:

   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, in particular Article 154-ter of Italian Legislative Decree 58 of February 24, 1998 and 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;

   3.2 The Report on Operations contains a reliable operating and financial review of the Company, as well as a description of its exposure to the main risks and uncertainties. The Report on Operations also contains a reliable analysis of information concerning significant related-party transactions.

March 5, 2025

Chief Executive Officer	**Executive Responsible for Preparing the Corporate Financial Reports**
/ signed /	/ signed /
____________________	____________________
Pietro Labriola	Adrian Calaza Noia

INDEPENDENT AUDITORS' REPORT

EY S.p.A.
Via Meucci, 5
10121 Torino

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
TIM S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of TIM S.p.A. (the Company), which comprise the statement of financial position as at December 31,2024, and the separate statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements give a true and fair view of the financial position of the Company as at December 31,2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.
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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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We identified the following key audit matters:

Key Audit Matter	Audit Response
Discontinued operations	
On July 1, 2024, in accordance with the Transaction Agreement executed between TIM and Optics S.p.A., a company controlled by Kohlberg Kravis Roberts & Co. L.P., the subsidiary Fibercop S.p.A., to which the business comprising the primary network assets and laying infrastructure had been previously contributed, has been disposed. The loss of control resulting from the disposal of the interest in Fibercop S.p.A. led to the recognition of the related economic and financial effects. The gain on disposal amounted to approximately Euro 0.1 billion, net of the related costs to sell and after the allocation of the portion of goodwill attributable to the disposed entity. The economic results of the disposed entity, attributable to TIM S.p.A. up to the date of the Transaction, have been classified as Discontinued Operations, in compliance with IFRS 5. Considering its complexity and relevance, as well as due to the level of judgment required in estimating certain elements which impact its result – such as the definition of certain components of the consideration received and the attribution of the goodwill – the Transaction has been considered as a key audit matter. Disclosure related to the Transaction are provided in Note 13 “Non-current assets held for sale/Discontinued operations”.	Our audit procedures in response to this key audit matter included, among others: ► obtaining an understanding of the Transaction by participating in meetings with the Company’s management and analyzing the Transaction Agreement and its Annexes; ► the assessment of the methodology adopted by the Company to define the perimeter of the Transaction, with particular regard to the assumptions used in the process of allocating the goodwill to the disposed entity; ► the evaluation of the reasonableness of the assumptions underlying the definition of the consideration received, with specific attention to those components whose valuation required high level of judgment, such as the rights of use on P2P connections; ► the detailed testing of the identification and quantification of the costs to sell related to the Transaction; ► the analysis and assessment of the compliance of the accounting treatment of the Transaction, as well as of its presentation within the Financial Statements with IFRS 5; ► the review of the adequacy of the disclosures provided in the notes to the separate financial statements with regards to the Transaction.
Impairment test of goodwill	
As of December 31, 2024, goodwill amounts to Euro 8,814 million and refers entirely to the Domestic cash generating unit ("CGU"). The Company determined the portion of goodwill to be allocated to the disposed entity. The processes and methodologies used by the Group to evaluate and determine the recoverable amount of each CGU, are based on	Our audit procedures in response to the key audit matter included, among others: ► the assessment of the processes implemented by the Group management with reference to the criteria and methodology of the impairment test; ► the validation of the CGUs perimeter taking into account the disposal of Fibercop and the

assumptions that are in some cases complex and that, due to their nature, imply the use of judgement by Management, in particular with reference to the forecast of future cash flows and to the estimate of the long-term growth and discount rates applied to the future cash flow forecasts. Considering the level of judgment required and the complexity of the assumptions applied in estimating the recoverable amount of goodwill, we considered this area a key audit matter. Disclosures related to the assessment of goodwill are reported in note 3 "Goodwill" and in note 2 "Accounting policies" in the paragraphs "Intangible assets - Goodwill"," Impairment of intangible, tangible and rights of use assets - Goodwill" and "Use of estimates".	attribution of goodwill to disposed entity; ► the assessment of the reasonableness of the future cash flows forecasts, including comparisons with sector data and forecasts, utilized in the fair value determination; ► the assessment of the consistency of the future cash flows forecasts of each CGU with the Group business plan; ► the assessment of forecasts in light of their historical accuracy; ► the assessment of the reasonableness of long-term growth rates and discount rates. The procedures referred to in the previous points also concerned the analysis of the assessments performed by the independent experts appointed by the Group. In performing our analysis, we involved our experts in valuation techniques, who performed an independent recalculation and carried out sensitivity analyses on the key assumptions in order to determine which changes in the assumptions could materially affect the recoverable amount. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the separate financial statements with regards to the valuation of goodwill.
Revenue recognition	
TIM Group's revenues amounted to Euro 9,218 million as of December 31, 2024, and refer almost entirely to the telecommunications services rendered to retail and enterprise customers. Procedures over the accounting of revenues required significant focus in the context of our audit procedures due to (i) a highly complex accounting process due to the number of commercial offers, the number of underlying application systems and the related reconciliation processes, (ii) the presence of certain manual phases in the revenue recognition process, in particular for services provided to large customers and (iii) the complexity in estimating commitments	Our audit procedures in response to the key audit matter included, among others: ► an understanding of the processes underlying the revenue recognition; ► the understanding and verification of the design and operating effectiveness of the relevant controls over the revenue recognition process; ► the analysis of the application systems supporting the revenue recognition process; ► the assessment that the accounting policy adopted for the main commercial offers is consistent with the provisions of the reference accounting standard; ► the analysis, on a sample basis, of some

connected to certain contracts. The Group provides the relative disclosures in Note 25 "Revenues" of the separate financial statements.	significant transactions relating to invoices issued and invoices to be issued, in order to verify that the contractual data and the evidence supporting the actual service rendered and / or goods transferred were consistent with the accounting policy adopted; ► the analysis of the valuation of certain contracts identified as onerous contracts; ► the analysis of the reconciliation of the management accounts with the accounting records in connection with the main balance sheet items related to customer relations; ► the analysis of the manual journal entries. We also required external confirmations for a sample of customers and transactions. Lastly, we reviewed the adequacy of the disclosure provided in the notes to the separate financial statements with regards to the revenue recognition process.
Regulatory disputes	
As of December 31, 2024, TIM Group is involved in several regulatory disputes in progress, many of which are characterized by significant counterparty requests. The main disputes concern (i) the 28-day billing proceeding, in which AGCOM ordered TIM to reimburse customers for unused service days, (ii) the I820 proceeding in which AGCM fined TIM for a conduct restricting market competition, (iii) the I857 proceeding for a possible agreement restricting market competition in connection with the partnership with DAZN and (iv) the A514, and the related "follow-on" proposed by some other OLOs, procedure in which the AGCM charged TIM with conduct aimed at hindering the entry on the market of a new operator. In 2024, the Italian Competition Authority (AGCM) initiate an investigation pursuant to Article 14 of Law No. 287/1990 against FiberCop S.p.A. and Telecom Italia S.p.A. to assess potential violations of Article 101 TFEU, or to verify whether any condition occurred that may prevent or restrict competition in the	Our audit procedures in response to the key audit matter included, among others: ► an understanding of the process put in place by Management for assessing disputes, accompanied by test of the effectiveness of the internal controls relevant for this process; ► inquiries with Management regarding the main assumptions made in connection with disputes; ► testing of the "Legal Suite" database in order to assess the completeness of the proceedings in which the company is involved; ► the analysis of the legal opinions prepared by external consultants, based on which Management has based its assessments; ► the analysis of the responses received from external lawyers following our external confirmations procedures. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the separate

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context of the execution of the Master Service Agreement signed upon completion of the disposal of Fibercop. The assessment of the disputes was carried out by Management, as of 31 December 2024, based on the opinion of the external lawyers, as well as considering the latest information available. The estimation of the risks connected to the disputes in which the Group is involved, requires a high degree of judgment by the management and, also considering the complexity of the regulatory framework, we considered this area a key audit matter. Disclosures related to the assessment of the risks relating to the regulatory disputes in which the Group is involved is reported in note 24 "Disputes and pending legal actions, other information, commitments and guarantees".	financial statements.
Recoverability of deferred tax assets	
As of December 31, 2024, deferred tax assets amount, net of impairment, to Euro 299 million in the separate financial statements. Deferred tax assets refer to the temporary deductible differences between the book and fiscal values of assets and liabilities in the financial statements. The recoverability of the carrying amount of the deferred tax assets is subject to management's evaluation and is based on the estimations of the future taxable income expected in the years in which they will be reversed. The processes and methodologies used to evaluate and determine the recoverable amount of these assets, are based on assumptions that are in some cases complex and that, due to their nature, imply the use of judgement by Management, in particular with reference to the consistency of the forecasts of future taxable income expected by the Group with those included in the business plan. Considering the level of judgment required and the complexity of the assumptions applied in estimating future taxable amount used to	Our audit procedures in response to the key audit matter included, among others: ► the assessment of the reasonableness of the assumptions underlying the estimation of future taxable income and the reconciliation with the figures included in the Group's business plan; ► the assessment of the reasonableness of the accuracy of the forecasts compared with prior periods; ► the assessment of the Management calculations. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the separate financial statements with regards to the recoverability of deferred tax assets.

determine the recoverability of the deferred tax assets, we considered this area a key audit matter.

Disclosures related to the assessment of recoverability of deferred tax assets are reported in note 2 "Accounting policies" in the paragraphs “Income tax expense (current and deferred)" and "Use of estimates" and in note 10 “Income tax expense (current and deferred)".

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

The Directors are responsible for the preparation of the separate financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Separate Financial Statements

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

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

- we have identified and assessed the risks of material misstatement of the separate financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of TIM S.p.A., in the general meeting held on March 29, 2019, engaged us to perform the audits of the separate and consolidated financial statements for each of the years ending December 31, 2019 to December 31, 2027.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of TIM S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the separate financial statements as of December 31, 2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the separate financial statements as at December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the separate financial statements as at December 31, 2024 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of TIM S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of TIM S.p.A. as at December 31, 2024, including their consistency with the related separate financial statements and their compliance with the applicable laws and regulations.

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

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the separate financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the separate financial statements of TIM S.p.A. as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

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

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Turin, March 24, 2025

EY S.p.A.
Signed by: Ettore Abate, Auditor

As disclosed by the Directors, the accompanying separate financial statements of TIM S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's 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.

Other INFORMATION

GLOSSARY

The following explanations are not intended as technical definitions, but are to support the reader in understanding some of the terms used in this Annual Report.

2G (Second-Generation Mobile System)

Second-generation digital mobile systems, including GSM, D-AMPS (TDMA) and CDMA. 2G networks are currently used throughout Europe and in other parts of the world. These protocols support voice services, limited data communication, and ancillary services such as fax and SMS.

3G (Third-Generation Mobile System)

The third-generation mobile system is designed to provide high-speed and continuous-access data services and higher-capacity voice services. 3G technology enables the transfer of traditional personal communication services (telephony, messaging) and data (such as downloading online information, email exchange and instant messaging). The high data speeds (measured in Mbps) are significantly higher than 2G and allow video-viewing and high speed internet access on mobiles. 3G technology standards include UMTS, which is based on WCDMA technology (the two terms are often used interchangeably), and CDMA2000. TIM switched off its 3G system in 2023.

3GPP (Third-Generation Partnership Project)

The 3rd Generation Partnership Project (3GPP) brings together seven telecommunications standards organizations (ARIB, ATIS, CCSA, ETSI, TSDSI, TTA, TTC), known as “Organizational Partners”, to provide their members with a stable environment to produce the reports and specifications defining 3GPP technologies. 3GPP specifications cover cellular telecommunications technologies, including radio access, core network, and service capabilities, which provide a complete description of the mobile telecommunications system.

3GSO (Third Generation Switch Off)

The switch-off of the 3G system, which has already been carried out by various operators around the world. TIM did so in 2023. The frequencies used have been made available to the newest systems to ensure greater coverage and capacity, while at the same time respecting electromagnetic limits.

4G (Fourth-Generation Mobile System)

Fourth-generation mobile systems are designed to provide a variety of devices, such as laptops with wireless modems, smartphones, tablets and other mobile devices, with all previous services plus ultra-broadband mobile internet access. Current and potential applications include web access, IP telephony, games, high-definition TV, video conferencing, Internet of Things, and cloud computing applications. 4G standards include LTE and LTE-A (LTE-Advanced) systems. LTE enables a download transmission speed of up to 150 Mbit/s per cell (on 20 MHz bandwidth) with greatly improved latency values; LTE enables services highly interactive services (e.g. gaming, videoconferencing). The upgrade to LTE, which is called “LTE Advanced” and is already in use, allows for even greater transmission speeds.

4K or UHD (Ultra High Definition)

4K, also known as Ultra HD (a name coined by the Blu-ray Disc Association), is a digital television, digital cinema and computer graphics resolution standard. 4K refers to a television resolution of 3,840 x 2,160 pixels. This is four times the resolution of a Full-HD television; The higher pixel density produces a clearer, cleaner, and better-defined image, with greater detail and texture. This will be followed by 8K, which will be 4 times higher.

5G (Fifth-Generation Mobile System)

The term 5G indicates the set of fifth-generation mobile technology standards that are significantly more evolved than 4G/IMT-Advanced technology. Its global distribution began in 2019. The main characteristics of the 5G network are:

- higher bit-rates on larger bandwidths than previous systems (capacities up to tens of Gbit/s on hundreds of MHz) to ensure higher-quality performance for innovative services such as Virtual Reality, Industry 4.0 etc;
- very low latency, in the order of milliseconds;
- ability to simultaneously connect hundreds of thousands of objects within the Internet of Things: from wearable technologies to automatic traffic control systems, from assisted vehicle driving to home automation.
- ability to connect from high-speed moving vehicles.

5G Core

This is the core segment of 5G networks, which is designed to be cloud-native. The interaction paradigm between its components (Network Function) is based on service exposure in a similar way to what happens for Web Services. The new 5G Core also introduces new orchestration capabilities and new features such as Network Slicing, support for edge computing and the service exposure to third parties.

5G NR (5G New Radio)

The new 5G radio access technology (RAT) ensures better performance. See 5G SA and 5GNSA.

5G NSA (5G Non-Stand-Alone)

5G Non-Stand-Alone (NSA). Non-Stand-Alone (NSA) mode refers to a 5G NR deployment option in which NR works collaboratively with LTE access.

5G SA (5G Standalone)

5G standalone (SA). Standalone mode (SA) refers to a 5G deployment option based on a single 5G radio access technology (i.e. NR or LTE), without cooperation with a second access technology, connected to a 5G Core Network.

6G

6G is the next generation of mobile networks, designed to offer ultra-high speeds, extremely low latency and ubiquitous connectivity. 6G will support advanced applications such as distributed artificial intelligence, extended reality (XR) and immersive communications, revolutionizing sectors such as health, industry and entertainment.

Access Charge

Amount charged by national operators for the use of their network by operators of other networks, also known as an “interconnection fee”.

ABR (Adaptive Bitrate) Streaming

Adaptive bitrate streaming or ABR streaming, sometimes abbreviated as ABS, is a technique for dynamically adjusting the compression level and video quality of a stream to match bandwidth availability.

ADS (American Depositary Shares) / ADR (American Depositary Receipt)

Instruments used for the listing of shares on the New York Stock Exchange (NYSE).

ADSL (Asymmetric Digital Subscriber Line)

Technology which, via a modem, transforms traditional wire-pair telephone lines into a high-speed digital connection line for the transfer of multimedia data. ADSL is used to achieve asymmetric broadband transmission.

Availability (or Reliability) (A)

The probability of an object performing a required function under certain operating conditions and at a given instant of time.

AGCOM (Italian Communications Authority)

Agile

In software engineering, “agile” mode (or agile software development) refers to a set of software development methods that are opposed to traditional models such as waterfall models; Agile methods propose a less structured approach aimed at delivering working, quality software to the customer quickly and frequently. The practices promoted by agile methods, now generally referring to the Project Management of not exclusively software products, include the formation of small, multi-functional and self-organized development teams, iterative and incremental development, adaptive planning, and the direct and continuous involvement of the customer in the product development process.

AON (Active Optical Network)

An optical distribution network based on active devices. This was used for the first optical networks in the 2000s and then replaced by PON.

API (Application Programming Interface)

APIs (Application Programming Interfaces) are programming interfaces consisting of software libraries available for a given programming language, which are used to interact with other programs and extend platform functionality, making them interoperable and open to different implementations.

AR (Augmented Reality)

The reality that surrounds us, enriched with additional content such as images, videos, 3D models, and so on, viewed through mobile devices.

ASN (Autonomous System Number)

ASN is a globally available unique identifier that allows an autonomous system to exchange routing information with other systems.

White / Gray / Black Areas

The distinction between white, gray and black areas is important for assessing State aid supporting the development of ultra broadband networks and the compatibility of the aid with Community legislation. This classification is contained in the European Union Guidelines:

- White areas are areas without ultra broadband networks, where private investors do not intend to invest in the next three years;
- Gray areas are areas where an ultra broadband network is present or will be developed in the next three years by a single private operator.
- Black areas are areas where at least two ultra Broadband networks of different operators are present or will be developed over the next three years.

ATM (Asynchronous Transfer Mode)

The network protocol through which data is transferred by encapsulating data in units, called cells, of fixed length (53 bytes) instead of in variable-length packets as is the case in packet-switching networks.

Avatar

The digital representation of a person which, in XR, allows them to interact with the environment and with other people.

Automation

Automation identifies technologies which automatically manage equipment, systems and processes, reducing the need for human intervention and facilitating network setup and operation activities.

Broadband

This comprises network technologies that allow a transmission speed of at least 2 Mbit/s to be achieved. These speeds are made available both on the fixed copper network, starting with ADSL technology, and on the mobile network starting with 3G systems. Broadband services include both data and voice services. Data services include fast Internet access, the ability to download audio and video files, point-to-point and multi-point interactive video services (video call and video conference), video on demand and (download and streaming) television programs.

Ultra Broadband

This comprises all network technologies enabling connectivity to be offered from 30 Mbit/s to Gbit/s. The definition is linked to the characteristics of the fixed and mobile access network. By increasing capacity and speed, ultra broadband allows users to access the content available on the network more quickly (and from several users at the same time) and to take advantage of video services up to ultra HD quality and interactive gaming.

- Fixed Ultra Broadband: comprises optical fiber access technologies, known as FTTx.
- Mobile Ultra Broadband: refers to the use of the HSPA mobile network (evolution of the 3G network), LTE and its upgrades, and the 5G network.

Backhauling

The interface between the radio access node and the core network.

Backbone

The backbone is the part of the telecommunications network that supports long-distance connections, which aggregate large amounts of traffic and from which the branches of the network necessary to serve certain local areas extend.

Big Data

Big data is a term used to describe the set of technologies and methods for analyzing mass data. The term indicates the ability to extrapolate, analyze and interrelate an enormous amount of heterogeneous, structured and unstructured data to discover the links between different phenomena and predict future ones.

Bitstream Access

A wholesale interconnection service that consists in the supply by the dominant telecommunications operator (the incumbent) of the access transmission capacity between an end customer's station and an interconnection point of another OLO operator.

Blockchain

Blockchain is an innovative data and information structuring technology with network sharing; a blockchain system is similar to a distributed database or virtual register, structured as a chain of blocks (hence the term blockchain) containing transactions; the blockchain is validated by a consensus mechanism distributed on all the nodes of the network participating in the chain. The main characteristics of blockchains are the immutability of the chain, the traceability of transactions and security based on advanced cryptographic techniques that are robust to cyberattacks. Blockchain technologies are currently used to support global supply chains, financial transactions (e.g. Bitcoin), accounting assets and distributed social networks.

BRAS (Broadband Access Server) - BNG (Broadband Network Gateway)

Also referred to as BNG, this is a device that manages fixed broadband users' access sessions or authenticates users, acts as a termination of logical connections originated by user devices, produces taxation data, and can apply management rules (policies) and techniques for QoS.

Broadcast

Simultaneous transmission of information and content to all nodes or devices of a network.

BSC (Base Station Controller)

A 2G radio access network control node and an interface with the MSC switching system. The BSC supervises and controlling radio resources both during call or data connection and during the call or data maintenance phase.

BSS (Business Support System)

The system used by network operators to manage business processes such as invoicing, sales management, customer service management and customer databases.

BTS (Base Transceiver Station)

A base radio station that transmits and receives GSM radio signals through appropriate antennas, providing coverage in an area organized in one or more “cells” through one or more radio transmitters (TRX). Commonly known as a “repeater”, in reality it does not “repeat” any signal as would be the case of radio bridges, but generates the signal and transmits it in ether. BTS also encrypts GSM communications.

Bundle

A commercial offer characterized by several telecommunications services (e.g. telephony, broadband internet access, television services over IP protocol, others) being jointly proposed by an operator with a single commercial brand. A Dual Play bundle refers to when the bundle combines a fixed telephone service and broadband internet access; A Triple Play bundle is where the Dual Play bundle is integrated with IP protocol television content (IPTV); A Quadruple Play bundle is where integrated mobile phone services are added to the Triple Play bundle.

Bypass

Unlike COLT, these are circuits currently devoid of active equipment for collecting NGAN customers, which in long-term plans may be abandoned (after migrating the legacy customers collected there).

CaaS (Container as a Service)

In a Cloud CaaS offer, a consumer flexibly and dynamically acquires an environment (typically based on Kubernates technology) in which containers can be developed, from a Cloud Provider. The CaaS environment manages the container lifecycle and the related scaling-up and upgrade needs in line with shared policies

Caching

The caching of web content (videos, HTML pages, images, etc.) is a technology that reduces bandwidth usage and the time spent accessing content. A cache stores copies of documents requested by users in locations closer to them than the original sites, so that subsequent requests can be fulfilled by the cache itself, under suitable conditions. The enabling technology can be open and standards-based (Open Caching) or on a proprietary and closed approach (Alien Caching)

Channel

A communication route that connects a source to one or more destinations using transmission media and electrical, electromagnetic, optical or other signals.

Carrier

A telecommunications operator that provides a transportation service for communication services through its own network.

Carrier Aggregation

Technique for aggregating multiple radio carriers and consequently increasing the transmission speed on a wireless network.

CAS (Conditional Access Systems)

Conditional access systems are used by content providers, such as pay-TV operators, to ensure that only subscribers’ devices that meet certain conditions can access protected content. Conditional access systems work by encrypting digital transport streams (pay-TV content) and sending permissions to decrypt the content separately.

CAT M1 (Category M1) or LTE Cat-M

Cat-M1, also known as LTE Cat-M, is a low-cost LPWAN technology developed by 3GPP as part of release 13 of the LTE standard. The technology is complementary to NB IOT, with upload and download speeds faster than 1 Mbps and lower latency of 10 to 15 ms.

CCA (Current Cost Accounting)

With a current cost accounting (CCA) approach, the manager's asset base has been annualized based on the gross replacement cost of the assets. CCA belongs to the family of constant annualization methods in which amortization rate is stable and the cost of capital decreases over time, with a consequent reduction in income. However, unlike accounting at historical cost, the annualization of amortization is adjusted based on price changes of the assets under consideration due to technical progress and general price changes (inflation).

CDMA (Code Division Multiple Access)

CDMA is a multiple access technology used in radio communications. The first CDMA-based radio systems were developed by Qualcomm, and introduced commercially in 1995. It enables the same channel to be used simultaneously to transmit multiple signals, each of which is modulated through an appropriate code to distinguish one message from another.

CDN (Content Delivery Network)

Content delivery networks are content distribution systems (particularly bandwidth-intensive multimedia content, such as IPTV) managed by a Service Provider for the provision of audio and video streaming services, offering better quality to customers.

CDP (Carbon Disclosure Project)

An international initiative that encourages companies to focus on managing climate change risks and opportunities.

Cell

A geographical area covered by a radio station.

EMF (Electromagnetic Field exposure limits)

Electromagnetic fields are present everywhere and are produced both from natural sources (storms, terrestrial magnetism) and from anthropogenic origins such as power lines, TV stations, mobile radio stations and microwave ovens. Their effects on the human body depend on their frequency. For radio frequency fields such as those produced by radio base stations and mobile devices, the greatest biological effect is the heating of body tissues. The current position of the scientific community, as expressed by the World Health Organization, is that while exposure to high levels of EMFs is harmful to health, it is not proven that prolonged exposure to low levels of EMFs can be harmful.

The definition of which levels are low enough not to be harmful is left to individual countries, even though guidelines have been defined by the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

As far as Italy is concerned, the exposure limit is 20 V/m; an “attention threshold” of 6 V/m, averaged over 24 hours, is also defined for homes, schools, playgrounds and all places where individuals stay for more than 4 hours a day.

Central Office

A Central Office is a building from which the copper or fiber lines that form the access network and which reach customers originate. It houses equipment for telephone services (Line Phase in TIM terminology), for broadband data services (DSLAM) and potentially for ultra broadband services (OLT). Some Central Offices also host higher-ranking devices (SGU for telephony, routers for data services), in which case they also collect the other COs that do not have them.

Central Unit (CU)

A logical node housing PDCP, RRC and SDAP protocols and other control functions based on a higher layer functional split.

CI/CD (Continuous Integration/Continuous Delivery)

In software engineering, CI/CD or CICD are the combined practices of continuous integration (CI) and (more often) continuous delivery or (less often) continuous distribution. CI/CD bridges the gap between teams and their development and operational activities by applying automation to the creation, testing, and deployment of applications.

Closed User Group

A group of users that can send or receive communication services only within the same group, to which dedicated rates can be applied.

Cloud

Cloud is an abbreviation of “Cloud Computing”, which refers to a model of network use of IT resources (for example networks, servers, memory, applications and services); in the Cloud, the end customer (or consumer) is allowed broad, easy and on-demand access to a shared and configurable set of resources that can be acquired and released quickly and with minimal management effort or interaction with the service provider. The Cloud model has five essential characteristics: 1) Self-Service on the customer’s request, 2) extensive network access, 3) resource sharing, 4) resilience/automation in resource requests, 5) certified SLAs, three service modes (see SaaS, PaaS and IaaS) and four distribution/deployment models (private, public, hybrid cloud and through communities).

Cloud Continuum

A cloud composed of centralized edge-distributed presence points which constitute a single cloud infrastructure.

Hybrid Cloud

A cloud solution consisting of private and public resources.

Native Cloud

A native cloud refers to an application-building approach which allows for the full use of the cloud paradigm (see Cloud).

CNI (Cloud Native Infrastructure)

CNI is the set of hardware and software that runs and supports Cloud Native applications.

CNF (Cloud Native Function)

A virtualized network function on commercial off-the-shelf (COTS) hardware, hosted on Telco Data Center or Public Cloud, with flexible and dynamic capacity, use of Containers and Micro Services, and automated LCM.

ONC (Optical Nodal Center)

This is the flexibility point in PON architecture and separates the primary optical network from the secondary optical network. The ONC houses the optical splitters connected to the passive fiber optic network.

Cogeneration

Cogeneration is the joint production of electrical (or mechanical) energy and useful heat from the same primary source. Cogeneration (using the same fuel for two different uses) is aimed at a more efficient use of primary energy, with relative economic savings, especially in production processes where there is a strong contemporaneity between electrical and thermal sampling.

Cognitive Computing

An advanced artificial intelligence system in which machines have parts of the typical functions of a human brain. The technologies that make up cognitive computing are capable of processing enormous amounts of information, learning autonomously, interacting in human language and reproducing human thought patterns.

COLT (Central Office Long Term)

A central office that, in long-term transformation plans, remains necessary to collect NGAN customers through a fiber optic distribution network.

Community

A group of people who have any kind of interest in common and exchange messages on the internet (e.g. through social media).

Connected Car

A connected car is a vehicle which, in addition to having internet access, has sensors and can send and receive signals to explore the surrounding environment and get in touch with other vehicles and services.

Container

A container is an abstract software unit that is executable and independent, with everything needed to run an application: code, runtimes, tools and system libraries. Each running container is reproducible. Containers allow applications to be decoupled from the host infrastructure on which they run. This approach makes it easier to deploy in the cloud or in different operating systems.

Co-siting

Agreements for the sharing of technological sites (for ICT, network access sites and passive infrastructures) by multiple actors, for a more efficient use of network infrastructures both in urban areas and in rural areas.

CO_2 – Carbon Dioxide

Carbon dioxide is one of the most important greenhouse gases. It can be traced back to industrial processes as a product of combustion, in particular from the use of fossil fuels.

CMS (Content Management System)

A content management system, often abbreviated to CMS, is software that helps users create, manage, and modify the contents of a website without the need for specialized technical knowledge.

CPE (Customer Premise Equipment)

Customer Premise Equipment is a user-side electronic telecommunications device (terminal, telephone, modem) that can connect directly to the geographical transmission network through appropriate interfaces. The connection between the CPE and the network can be built on a physical carrier (optical fiber, telephone wire pair) or on a radio carrier (wireless).

Choreography

In the context of IT architectures, this term refers to the coordination and organization of interactions between different software components or systems. Choreography is a design pattern that enables the development of distributed systems where components interact with each other through a set of well-defined interfaces, without relying on a central authority or coordinator.

COTS (Commercial Off-The-Shelf)

A software and/or hardware product that is commercially ready and available for sale, rental, or license to the public.

CPS (Carrier Pre-Selection)

Within the framework of the Equal Access policy guaranteed for all operators, CPS (Carrier Pre-Selection) is a telephone network service that allows permanent call-routing to the preferred operator with which all calls are made. This function must be implemented by the access operator in their control panels.

CPU (Central Processing Unit)

The CPU (central processing unit) is the HW component that controls the interpretation and execution of instructions. A PC's CPU consists of a single microprocessor. The term “processor” is often used to refer to a CPU.

C-RAN

It refers to a centralized cloud RAN, a paradigm dealing with centralized computing, collaborative radio, real-time cloud computing, and energy efficient infrastructure. This architecture aggregates the computational resources of base stations into a *central pool*, allowing for better radio coordination. C-RAN exploits software-defined networking (SDN) and network function virtualization (NFV) techniques, as well as data center processing capabilities to allow the separation of control planes and data and to achieve high flexibility by allowing network resources to be shared dynamically.

Cybersecurity

Cybersecurity deals with the analysis of threats, vulnerabilities and risk associated with the use of IT tools, hardware, software and data connected to the Internet to protect them from attempted attacks such as: alteration, disabling, theft, destruction, unauthorized access.

DAM (Digital Asset Management)

Digital asset management (DAM) is the integrated system for the centralized strategic content management. This software allows content to be created, organized and distributed on different channels such as websites and applications, and increases the effectiveness of communication.

DAS (Distributed Antenna System)

This is a network of distributed antennas that is connected to a signal source to provide wireless services in a geographical area or a building. The radio frequency signal is combined and distributed through the antenna system.

Data Center

The Data Center is the department of a company that hosts and manages backend IT systems and data archives: its mainframes, servers, databases, etc. In the past, this type of management was located in a single physical location, hence the name of data center. The development of new distributed computing technologies has brought in new management criteria, which has led to the existence of more than one physically and virtually located data center.

Data Governance

A set of processes, policies, roles and standards designed to guarantee the effective, secure and compliant management of data management within an organization by ensuring the quality, integrity and optimal use of data to support strategic and operational decision-making.

Data Lake

A data lake is a centralized repository in which large volumes of data (structured or unstructured) from various sources are stored.

Data Mining

The process of discovering models and insights from large data sets using statistical and machine learning techniques.

Data Warehousing (DW)

A method for collecting and storing large amounts of data in a central location for analysis and reporting.

DCC (Digital Contact Center)

A set of platforms used to connect the customer with the human or virtual customer care agent most suited to the customer's needs, through different channels (voice, web, apps, mail, chat, SMS), and to help agents interact with customers (e.g. voice orders, back office).

DDoS (Distributed Denial of Service)

An attempt to make a networked computer resource (system/service) no longer available to users. Attacks of this type seek to saturate the network and computer resources available to the target system of the attack, such as a website, to the point of making it no longer able to provide the service.

Decommissioning

The disposal of older (legacy or obsolete) technological solutions in order to rationalize and simplify current telecommunications networks with the aim of optimizing investments and improving the quality and time-to-market of services.

Deep Learning

A subset of machine learning that involves training multi-layered neural networks on large amounts of data.

DevOps

In computer science, DevOps (a contraction of Development and Operations) indicates an agile method of software development targeted communication, collaboration and integration between developers and operations personnel. DevOps is therefore an approach to developing and implementing applications in the company that aims for the release of the product, the testing of software, evolution and maintenance (correction of bugs and minor releases) in order to increase reliability and security and to speed up development and release cycles.

Digital divide

The technological gap that may exist for territorial reasons in some geographical areas where people do not have effective access to digital technology, such as fixed broadband services. The Digital Divide also refers to the economic or cultural barriers that certain sections of the population have in accessing digital services.

Distributed Unit (DU)

A logical node hosting RLC/MAC/High-PHY protocols based on a lower layer functional split.

DLA (Data Layered Architecture)

An architecture to manage user data in a telecommunications network in real time (e.g. user profiles), which introduces a separation between a logically centralized data storage layer, which is responsible for the consistency and availability of the data, and a front-end layer that manages the requests coming from network devices.

DNS

The record containing numerical IP addresses (for example 123.456.789.0) associated with alphanumeric addresses (nome.cognome@dominio.com) commonly used to identify a website or email address.

DPI (Deep Packet Inspection)
Real-time packet traffic analysis technology that observes "in depth" the content of packets "in depth"; i.e. up to application level, rather than only up to IP/TCP/UDP header level. It enables advanced traffic management.

DRM (Digital Rights Management)

Digital rights management is a way to protect copyrights to digital media and content. This approach involves technologies that restrict the copying, reproduction, and use of copyrighted works, protected content, and proprietary software.

DSL Network (Digital Subscriber Line Network)

A family of network technologies that provides wide-bandwidth digital transmission at limited distances through the traditional copper telephone pair from the first switching center to the end user.

DSLAM (Digital Subscriber Line Access Multiplexer)

Digital Access Line Multiplier Equipment: processes digital signals from different customers whose lines are equipped with xDSL technologies, and multiplies their communications on a high-speed connection to the internet backbone.

DSS (Dynamic Spectrum Sharing)

A new antenna technology that, for the first time, allows the parallel use of LTE and 5G in the same frequency band. This technology drives real-time demand for 5G and LTE.

DTT (Digital Terrestrial TV)

Digital terrestrial TV is a type of transmission technology that allows greater efficiency in the transmission of television services (in terms of number of channels and image quality) through the use of a digital system.

DVB-H (Digital Video Broadcasting-Handheld)

DVBH is a digital broadcast video transmission standard optimized for mobile networks on portable devices, such as mobile phones and smartphones.

DWDM (Dense Wavelength Division Multiplexing)

This technology multiplies and simultaneously transmits optical signals with different wavelengths along a single optical fiber in order to increase the available bandwidth.

EDGE (Enhanced Data for GSM Evolution)

This technology increases the data transmission rate of the GPRS standard from 30-40 kbit/s to more than 400 kbit/s under optimal radio transmission conditions.

Edge (Network Edge)

A network segment located between the access and main network, where service functions (such as those performed by BRAS) are located. Depending on the environment, this segment can be highly distributed (e.g. up to mobile Base Station level) or less distributed (e.g. on the network backbone edge).

Edge Cloud

A cloud infrastructure distributed at the network edges. Edge cloud architecture is used to decentralize computing power at the network edges.

EEB (Energy Efficiency in Buildings)

An international initiative promoted by the WBCSD (World Business Council for Sustainable Development) for researching energy efficiency in buildings in order to reduce environmental impact and energy costs.

EFFC (Extraction Full Free Cooling)

A cooling system that reduces consumption without using greenhouse gases. EFFC is based on the free-cooling principle (forced ventilation without the use of air conditioning) and linked to a system extracting the hot air produced by equipment and additional (adiabatic) cooling of incoming air, and is obtained by exploiting an area with a high concentration of nebulized water.

eMBB (Enhanced Mobile Broadband)

Mobile broadband data service on the LTE-A network, 5G.

EMS (Environmental Management Systems)

Environmental management systems enable the sustainable management of production and support processes, and promote the continuous improvement of environmental performance, These tools ensure effective management, prevention and continuous reduction of environmental impacts in work processes.

eNB (Evolved Node B)

The 4G Base Station which implements the LTE radio interface and manages its radio resources.

EPC (Evolved Packet Core)

The core segment of a 4G network. It manages user mobility, routs traffic (since 4G is only packet traffic), applies criteria, produces taxation data and interconnects with IP networks.

EPC NSA (Evolved Packet Core Non Standalone)

Core network mobile 4G capable of supporting dual-connected LTE and New Radio accesses.

EPG (Electronic Program Guide)

Electronic programming guides are systems that provide television, radio and other multimedia application users with continuously updated menus that display programming information for scheduling of current and future broadcasts

EPON (Ethernet PON)

Also known as Gigabit Ethernet PON or GEPON, this is a type of pure optical fiber that uses a symmetric pattern both downstream and upstream and can reach a maximum of 10 Gigabits per second of transmission. This solution is IEEE-standardized.

EPS (External Power Supplies)

External power supplies for equipment.

ESG (Environmental, Social and Governance)

ESG is a strategic framework for identifying, evaluating and addressing organizational objectives and activities ranging from a company's carbon footprint and commitment to sustainability, diversity and inclusion, to ethical risk management and business practices.

eSIM (embedded SIM)

This is an evolution of SIMs: an integrated circuit incorporated directly into a device and therefore not removable and not replaceable, but which can be managed remotely through the functionality of the device itself.

Ethernet

A family of high-speed data link technologies for local area networks (LANs) and metropolitan area networks (MANs).

ETSI

The European Telecommunications Standards Institute.

EuP (Energy-using Products)

Falling within the Eco-design Directive for Energy-using Products (2005/32/EC), this is the regulatory framework that energy-using devices must comply with from the design phase onwards to increase energy efficiency and reduce the negative environmental impact of products.

Feeder

Carrier class IP routers that collect and concentrate fixed and mobile network traffic and commercial traffic for a number of Central Areas. The traffic collected by feeders is delivered in double homing mode to Metro nodes on physically diversified routes.

FDD Frequency Division Duplex

Frequency-division duplexing is a method for establishing a full duplex communication link, using two different radio frequencies for transmitter and receiver operation. FDD normally assigns the transmitter and receiver to different communication channels.

FFC – Full Free Cooling

A cooling system that uses forced ventilation to reduce energy consumption.

Optical Fiber

An infrastructure for transmitting data through light signals, formed by glass or plastic filaments. Each fiber cable contains several individual fibers, each capable of conveying the signal (light pulses) at a practically unlimited bandwidth. Fiber is used for the construction of both optical communication backbones and for access networks across multiple architectures (FTTx).

Fronthaul

Within the functional division of a Base Station, this refers to the interface between the Remote Unit (RU) and Distributed Unit (DU).

FSC (Forest Stewardship Council)

The Forest Stewardship Council is an international non-profit NGO. The FSC is an internationally recognized forest certification system. The certification aims to ensure proper forest management and traceability of derived products. The FSC logo guarantees that a product has been made with raw materials from properly managed forests according to two main standard principles: forest management and chain of custody. FSC certification is an independent, third-party scheme.

FTTx (Fiber To The x)

This term is used to indicate any network architecture that uses fiber optic connections that partially or entirely replace the traditional copper connection used in telecommunications networks. The different technological implementations differ at the point of the distribution network where the fiber connection reaches the end customer: in FTTC (Fiber to the Cabinet), the fiber terminates in the device (distribution cabinet) located on the sidewalk, where the customer-end copper connections begin; in FTTB (Fiber to the Building), the fiber terminates in a distribution box at the base of the building, where the vertical copper climb begins; in FTTH (Fiber to the Home), the fiber terminates directly in the customer's home. in FTTO (Fiber to the Office), the fiber terminates in the Office; and in FTTR (Fiber To The Room), the fiber extends into different rooms of the home.

FWA (Fixed Wireless Access)

Fixed Wireless Access indicates a set of transmission systems developed to exploit certain frequencies of the radio spectrum so as to provide fixed broadband access services (with a nominal connection speed of 1 Gbps).

Gateway

A node for the interconnection of different networks. A gateway node can perform a domain splitting function between homogeneous networks or it can functionally interconnect different networks, thus performing protocol interworking functions.

G.FAST (Fast Access to Subscriber Terminal)

G.FAST (group "G" of ITU-T recommendations) is a fourth-generation DSL standard over copper, adopted by ITU-T in 2014, which allows aggregated downstream and upstream speeds of around 500 Mbit/s up to 100m and of around 800-900 Mbit/s up to 50m.

Therefore, the technology has a higher speed than VDSL2 and eVDSL but, since it is optimized for very short distances, it requires network devices to be positioned nearer to the customer than in distribution cabinets, or indeed in the distribution boxes at or at the base of buildings.

GPON (Gigabit capable Passive Optical Network)

A passive optical network (PON) is a network architecture that brings fiber cabling into the customer's home using a point-to-multipoint scheme. It uses passive optical splitters to serve multiple rooms with a single optical fiber. GPON is part of a set of PON standards (defined in the ITU framework), which differ by the maximum overall speed attainable within each optical shaft, a structure often shared with 64 users. With GPON, the maximum speed is around 2.5 Gbps downstream and 1.25 Gbps upstream, shared with a pre-established number of users, which can be up to 128. The operator will then set the nominal maximum speed for each of the connected lines (e.g. 1 Gbps download). Other types of GPON standards are:

- XG-PON - maximum speed 10 Gbit/s downstream and 2.5 Gbit/s upstream
- XGS-PON - maximum speed 10 Gbit/s downstream and 10 Gbit/s upstream
- NG PON2 - maximum speed 40 Gbit/s downstream and 10 Gbit/s upstream

GPRS (General Packet Radio System)

A packet-switched system for data transmission over 2G cellular networks.

GPU (Graphics Processing Unit)

A specialized processor (or CPU) designed to accelerate the digital rendering of graphic objects.

GRI (Global Reporting Initiative)

A leading organization in the field of sustainability, the GRI promotes the adoption of sustainability reporting as a way for organizations to contribute to sustainable development.

GRX (GPRS Roaming eXchange for Mobile Operators)

The GRX service allows mobile operators to interconnect GPRS networks around the world and to offer the Global Roaming service for GPRS coverage.

GSM (Global System for Mobile Communication)

The standard-based system for digital cellular communications developed worldwide and operating on 900 MHz and 1800 MHz bands. GSM is a second-generation (2G) system.

GSMA (GSM Association)

The GSMA (deriving from Global System for Mobile Communications, and originally Groupe Spécial Mobile) is an industry organization that represents the interests of mobile network operators around the world.

HCFC (Hydrochlorofluorocarbons)

Compound chemical molecules used mainly in cooling systems to replace Chlorine Fluorocarbons. These are prohibited by the Montreal Protocol due to their limited ozone depressant effect (their ozone damaging power is about 10% of that of CFCs).

HCP (Hyperscale Cloud Provider)

A cloud infrastructure provider capable of mass-scaling resources over large quantities of globally distributed servers.

HFC (Hydrofluorocarbons)

Hydrofluorocarbons: composite molecules in use in cooling systems. They are part of the greenhouse gas family. They do not harm the ozone.

HDSL (High-bit-rate Digital Subscriber Line)

An xDSL technology standardized in 1994, it provides symmetric connections of up to 8 MB/s over pairs.

HLR (Home Location Register)

The database in which 2G and 3G customer profiles are registered.

Home Access Gateway – Access Gateway – Home Gateway – Residential Gateway

Domestic-use devices used to concentrate customer voice/data/video traffic for private telecommunication networks and to connect household devices to the internet or other geographical networks (WAN).

Housing

The leasing of managed physical space within a Data Center for the installation of equipment or servers.

HSPA (High Speed Packet Access)

An evolution of UMTS, which allows downstream (HSDPA) and uplink (HSUPA) mobile broadband data connections of up to 42 MB/s and 5.76 MB/s, respectively.

IaaS (Infrastructure as a Service)

With a Cloud IaaS offering (see also Cloud models), a consumer flexibly and dynamically acquires computing, memory, network and other fundamental IT resources from a Cloud Provider, with which the customer can develop and run arbitrary software, including operating systems and applications. The consumer does not manage or control the underlying cloud infrastructure, but controls the operating systems, memory, applications and possibly, to a limited extent, some network components (such as firewalls).

ICT (Information and Communication Technology)

The set of methods and technologies which form information transmission, reception and processing systems.

IEEE (Institute of Electrical and Electronics Engineers)

This international association of professional scientists aims to promote technological science and the research of new applications and theories in electrotechnical, electronic, computer, biomedical and telecommunications science. The Institute also defines and publishes standards in these fields.

IETF (Internet Engineering Task Force)

The IETF is an internet standardization organization that is responsible for the technical standards that constitute the Internet Protocol Suite (TCP/IP).

IMS (IP Multimedia Subsystem)

The architecture for the creation of IP Multimedia services (i.e. voice/video/text/etc. communications over IP networks). It includes all network elements relating to reporting and media flow processing.

IMSI (International Mobile Subscriber Identity)

A globally unique identifier linked to a SIM card.

Unavailability (U)

The likelihood that an object will be unable to perform a required function under certain operating conditions and at a given instant in time.

Artificial Intelligence

The ability of a technological system to solve problems and carry out tasks and activities typical of the human mind and behavior. In the field of IT, this discipline is concerned with creating machinery (hardware and software) that is capable of "acting" autonomously (solving problems, performing actions, etc.).

Generative Artificial Intelligence

This term refers to Deep Learning models capable of generating high-quality texts, images and other content based on the data they have been trained on.

Interconnection

The physical and logical connection of different operators' public communication networks, aimed at allowing the users of one operator to communicate with the users of the same or another operator, or to access the services offered by another operator.

Internet

The global interconnection network between computer networks of different natures and extensions, which is made possible by a suite of common network protocols (TCP/IP) that constitute a common "language" with which connected computers (hosts) connect and communicate with each other.

Internet of Things

This extends the internet to the world of objects (devices, equipment, plants and systems), which become recognizable and acquire intelligence precisely because they can communicate data about themselves and access aggregated information from others. This has many fields of application: from industrial applications (production processes), to logistics and infomobility, and to energy efficiency, remote assistance and environmental protection.

IP (Internet Protocol)

The packet-switching data transmission protocol used to transmit data on both private and public networks, in particular on the internet. The IP address uniquely identifies a single element in the network. IPV4 uses 32-bit addresses represented by 4 numbers (e.g., 192.168.1.1) with approximately 4.3 billion addresses in operation. This has evolved into IPv6 (a necessity given the depletion of available IPv4 numbers), which uses 128-bit addresses represented by hexadecimal numbers separated by colons (e.g., 2001:0db8:85a3:0000:0000:8a2e:0370:7334), thus offering a huge number of addresses (about $340^* 10^{36}$).

IPCC (IP Contact Center)

See DCC.

IPTV (Internet Protocol Television)

Technology that uses IP transport infrastructure to convey television content in digital format through a broadband internet connection.

ISDN (Integrated Services Digital Network)

A digital telecommunications system that allows different services (e.g. voice and data) to be transmitted end to end in digital form. The first technical definition of ISDN, which involves different components of networks, dates back to the ITU-T recommendations, Series I of 1984.

ISO (International Organization for Standardization)

The world's leading organization for the definition of technical standards.

ISPs (Internet Service Provider)

A company that sells services to access the internet and World Wide Web.

ITU (International Telecommunication Union)

An international organization that defines telecommunications and radio wave standards. Founded in 1865 in Paris, it is a specialized agency of the United Nations and its current headquarters are in Geneva.

J2C (Journey to Cloud)

A transition that aims to migrate business resources to the cloud, allowing reductions in IT costs and greenhouse gas emissions, improvements in business results and a quicker pace of innovation.

Jitter

The variation in one or more signal characteristics, such as amplitude, frequency, phase or transmission delay.

KPI (Key Performance Indicator)

Measurable performance indicators which allow us to evaluate the performance of a given activity.

KPO (Key Performance Objectives)

Key Performance Objectives (KPOs) are measurable and specific goals that allow performance to be evaluated.

KVAR (Kilovolt–Amperes Reactive)

A measurement system, expressed in kilovolts, for measuring the electrical current lost in an AC electrical system.

Kubernetes

An open source container orchestration platform, allowing scaled container management.

LAN (Local Area Network)

A computer network that covers a limited geographical area (e.g. a school or a company) and provides telecommunication services and interconnection between terminals (e.g. PCs).

Lambda

The single optical channel on which the signal is transmitted over fiber optic networks.

Latency

The latency of a system can be defined as the interval of time that elapses between the moment when an input reaches the system and the moment when its output is available. In other words, latency is simply a measure of a system's response speed.

LCA (Life Cycle Analysis)

An analytical methodology for assessing and quantifying the environmental impacts associated with a product/process/activity throughout its entire life cycle, from the extraction and acquisition of raw materials to recycling.

Local Aggregator (LA)

Carrier class IP routers that collect and concentrate fixed and mobile network traffic and commercial local traffic for a number of Central Areas. The traffic collected by the local aggregators is delivered in double homing mode to Metro nodes on physically diversified routes.

LLM (Large Language Model)

A type of Artificial Intelligence algorithm that uses deep learning techniques and large data sets to understand, summarize, generate and predict new content.

LLU (Local Loop Unbundling)

The service that allows telephone operators other than Telecom Italia to rent the final part of the telephone wire pair, that is, the copper cable that connects the Telecom Italia unit to the user location.

Local Loop (Telephone Pair)

The pair of copper wires through which a home or office connects to a telecommunications network; This is the traditional technology for creating telephone access lines and is often called the 'last mile'.

LPWAN (Low-Power Wide Area Network)

A type of wireless telecommunication geographic network designed to allow long-range, low-bitrate communication between connected battery-powered objects, such as sensors.

LTE (Long Term Evolution)

See 4G.

Machine Learning

The ability of computers to learn without having been explicitly and previously programmed.

MBB (Mobile Broadband)

The mobile broadband data service available on a 3G/4G-LTE network.

MEC (Multi-access Edge Computing)

Technology that allows edge devices, such as smartphones and IoT devices, to process data closer to the source, reducing latency and improving performance.

ETSI MEC (Mobile Edge Computing)

A specific type of edge computing, standardized by ETSI, designed to meet the needs of mobile network operators and their subscribers, providing low latency and high bandwidth services to mobile devices.

MEMS (Micro Electro-Mechanical Systems)

Miniature devices ranging from a few micrometers to a few millimeters in size which perform detection, processing and implementation functions using electronic, mechanical, optical, chemical or biological components, usually integrated on a hybrid silicon circuit.

MGCP (Media Gateway Control Protocol)

A signaling protocol that allows the management of multimedia functions and telephony conversion between traditional telephone networks and VoIP services.

MGW (Media Gateway)

A device that processes different voice, data and video connections by adapting their encodings between different technologies and protocols (e.g. from circuit to packet).

Meter (M)

Carrier class IP routers that collect and concentrate fixed and mobile network traffic and commercial traffic for the MAN area.

Microservices

When the term microservices is used in modern software application development, it refers to a specific architectural model for developing a single application as a suite of small services, each identified as a specialized processing process (e.g. a web server, a storage application, etc.) capable of communicating with fast and streamlined mechanisms, often based on API interfaces for describing HTTP resources. These services provide capabilities for developing a company's business and are particularly suitable for creating software products using agile methodologies; each microservice can be created and managed independently using fully automated implementation algorithms, thus ensuring maximum flexibility in the development and maintenance of applications.

Midhauling

Within the functional division of a Base Station, this refers to the interface between the Distributed Unit (DU) and the Central Unit (CU).

MIMO (Multiple Input Multiple Output)

A set of techniques aimed at increasing the overall radio access band by simultaneous transmitting two (or more) data signals on two (or more) placed antennas, using the same frequency resources. The receiving side, also equipped with two or more antennas, is able to discriminate between the different data signals by leveraging the differences in time and direction of arrival of the simultaneous signals, which are caused by their propagation on multiple paths. In fact, multipath radio wave propagation (i.e. the fact that a signal from point A reaches point B through multiple paths due to reflections and dispersions caused by objects such as buildings and trees), once seen as a disturbance, is a natural phenomenon in radio communications. On the other hand, MIMO techniques exploit this multiplicity of paths (using appropriate signal encodings) to increase capacity.

mMTC (Massive Machine Type Communication)

Also known as MMC (Massive Machine Communication) communication, this type of communication occurs between a huge number of machines over a wireless network on which data generation, information exchange and implementation takes place with little or no human intervention.

mmWave (millimeter Wave)

Millimeter waves (often referred to as high-band 5G) are frequencies that start at 24 GHz and above. As radio waves increase in frequency, each wave shrinks in length. Because of their high frequencies, mmWaves have a limited range and struggle to penetrate buildings, but they have a high carrying capacity.

MOCN (Multi-Operator Core Network)

A technology that allows multiple mobile operators to share the same radio access network (antennae and infrastructure) while maintaining separate core networks. This reduces costs, improves coverage and optimizes the use of network resources.

MPEG (Moving Picture Experts Group)

A joint technical committee set up by international organizations ISO and IEC in 1988. It was created with the aim of defining standards for the digital representation of audio, video and other types of multimedia content to satisfy a wide variety of applications.

MPLS or IP/MPLS (Multiprotocol Label Switching)

An IP network technology that allows multiprotocol traffic flows to be routed between source and destination nodes through the use of labels positioned between pairs of adjacent routers, with simple operations performed on the labels.

MR (Mixed Reality)

Augmented reality (AR) with special visors to allow hands-free use.

MSC (MoVile Swiching Center)

A mobile network node that performs switching and control functions, such as call management, traffic switching, billing, registration and authentication, acting as an interface with other networks.

Multimedia

A service or product that entails the simultaneous and interactive use of two or more mutually-integrating communication media (e.g. voice, video, text, etc.).

Multicast ABR (Multicast Adaptive Bit Rate)

This technology encodes multicast video traffic into different streams at different bitrates according to the channel conditions, making it possible to optimize user enjoyment and the use of network resources.

MVNO (Mobile Virtual Network Operator)

A mobile communication service provider that does not own the radio spectrum or network infrastructure, but leases them from a third-party operator.

NaaS (Network as a Service)

The provision of virtual network services by a network provider to a third party, such as a service provider that is not equipped with geographically infrastructured network resources, or a medium/large customer who requires basic or advanced connectivity resources on a public or shared network infrastructure. Some examples of NaaS-model services are VPNs (virtual private networks), dynamic bandwidth (BoD) services and mobile network virtualization. The spread of NaaS offerings today is increasingly supported by flexible network virtualization models and the use of network programming and automation technologies such as SDN (software defined networking).

Naked

“Naked line” refers to a copper access line devoid (hence naked) of a voice service. This line is dedicated exclusively to data services.

NB IoT (NarrowBand Internet of Things)

A 3GPP specification that enables the Internet of Things by optimizing narrowband radio access with a view to applying LTE technology to sensor networks. It provides a few small messages per day, a large coverage range to reach basement meters, a very long battery life (10-year target), tens of thousands of connections per cell and a very low module cost.

NEF Network Exposure Function

The NEF (Network Exposure Function) is related to 3GPP 5G architecture. This function provides a means to securely expose the services and capabilities provided by 3GPP network functions.

Net Neutrality

The principle that internet service providers must treat all data equally and must not discriminate or implement different charges according to the user, content, website, platform, application, type of equipment, or method of communication.

NAT (Network Address Translation)

A technique used to map the IP addresses of devices on a private network to a single public IP address so as to optimize the use of IP addresses and ensure security.

Network
A system of interconnected elements. In a telecommunications network, customer voice and data service management devices and equipment are connected through a transmission system that uses optical fiber, metal cables or radio connections.

Network Cap

See Price cap.

Network Slicing

When referring to 5G: the creation of multiple ad hoc logical networks segregated on the same physical network infrastructure. Each “slice” is an isolated end-to-end network tailored to meet the different requirements of a particular application.

Network to Cloud (N2C)

The process of porting network capabilities, which is typically implemented on premises, either physically or virtually, in a public or private cloud.

Neural network

A type of machine learning algorithm that is modeled on the structure and function of the human brain.

NFT (Non-Fungible Token)

“Digital certificates” supported by blockchain technology, which aim to identify ownership of a digital product in a unique, irreplaceable and non-replicable way.

NFV (Network Function Virtualization)

The NFV paradigm allows both fixed and mobile network functions to become software applications, called VNFs (virtual network functions), which the operator can instantiate on commercial servers, thus leveraging virtualization technologies and splitting the link between hardware and software present in today’s devices.

NGAN (New Generation Access Network)

A fixed access network built with different technological solutions, ranging from evolved ADSL to optical fiber in the user's home (see FTTx).

NGDC (Next Generation Data Center)

A data center that uses physical concentration and server virtualization with the aim of reducing maintenance and management costs and energy consumption and improving their efficiency.

NGN (Next Generation Network)

The next-generation network created by Telecom Italia to meet the demands of industry, public administration and the general public. The new network architecture guarantees infrastructure that serves a variety of offerings to increase the levels of customization and bandwidth availability, together with a wide variety of access systems.

NGNs (Non-Geographic Numbers)

Telephone numbers not associated with a particular geographical location (for example, higher rate services, toll-free number, directory assistance services).

NG-RAN (Next Generation Radio Access Network)

An access network that includes NR (new radio) access technology.

Node

Generically indicates a communication and processing element within a network.

Node B (corresponds to BTS in GSM)

The base radio station in UMTS technology which, via the antenna, sends a radio signal to cover a cell (generally 3 cells per Node B). It also performs functions that are closely associated with managing the radio connection.

N-Play Offering

Customer offerings that include two or more fixed and mobile services in a single rate: voice, connectivity and data traffic, video and TV services, value-added services (e.g. gaming).

NYSE

The New York Stock Exchange.

OAM (Operation, Administration and Maintenance)

The set of processes, activities, systems and standards involved in the operation, administration, and maintenance of a system.

OAO (Other Authorised Operator)

Operators other than the dominant operator, which provide services to their customers using the dominant operator's fixed access network.

ODF (Optical Distribution Frame)

A frame used to provide cable interconnections between communication structures, which can integrate fiber splicing, fiber termination, fiber optic adapters and connectors, and cable connections together in a single unit.

OHSAS (Occupational Health and Safety Assessment Series)

The international standard that sets out the requirements that a management system must have to protect the safety and health of workers.

OLOs (Other Licensed Operators)

Operators operating in the national telecommunications services market other than the dominant operator.

OLT (Optical Line Termination)

The optical element of the PON (Passive Optical Network) network, which acts as an interface between the PON itself and the backbone network. The OLT is located at the central office location.

ONAP (Open Network Automation Platform)

The open source framework from the Linux Foundation, designed for the orchestration, management, and automation of edge computing networks and services.

ONT (Optical Network Termination)

The optical element of the PON (Passive Optical Network) network, which acts as an interface between the access gateway at the customer’s home and the OLT device in the central office. The OLT is located at the customer’s location, is powered, receives and deciphers (and vice versa) the optical signal, and converts it into an electrical signal (through an Ethernet output) that can be received by the access gateway.

ONU (Optical Network Unit)

Optical element of the Passive Optical Network (PON) that acts as an interface to the user access device or distribution network to the users. The ONU is located in a distribution cabinet.

OPC (Optical Packet Core)

The national multiservice IP transport backbone (formerly called Optical Packet Backbone - OPB). It consists of interconnected nodes called OPC (formerly OPB) nodes and the very high capacity connections existing between them.

OPM (Optical Packet Metro)

A metro-regional collection network that provides Ethernet and IP connectivity for fixed and mobile network traffic, as well as for Retail or Wholesale customers. It consists of IP routers distributed on three hierarchical tiers of aggregation: Remote Feeder, Feeder and Metro. These are interconnected in double homing mode through physically diversified two-way links (where possible).

Open Source

Refers to software whose rights holders make the source code public, encouraging it to be freely studied and allowing independent programmers to make modifications and extensions to it.

OTT (Over the Top) Operators

Operators offering content and services over the Internet without having ownership of the telecommunications network infrastructure.

ORAN (Open Radio Access Network)

Also known as Open RAN, this architecture is used to create virtualized RAN on open hardware, with AI-based integrated radio control. The architecture is based on well-defined, standardized interfaces to allow an open and interoperable supply chain ecosystem, fully supporting and complementary to the standards promoted by 3GPP and other industry standards organizations.

Orchestration

The coordination of multiple automated activities into advanced workflows so that individual activities work in concert to perform specific functions or processes.

OSS (Operations Support System)

Methods, procedures (automated and non-automated) and systems that directly support the function and operation of telecommunications infrastructure.

OTN (Optical Transport Network)

A technology developed to enable the multiplication of digital signals which are to be carried over WDM links and to obtain OAM performance of these signals similar to those available in SDH.

This allows a better use of WDM connections, making it possible to insert high-speed signals (e.g. 100 Gb/s) on lambdas that can contain more lower-speed signals (e.g. 10 Gb/s) rather than having a dedicated lambda for each lower-speed signal.

Outsourcing

Entrusting external parties to carry out business services and processes. Services that can be outsourced include the design, construction or hosting of a network or of specific equipment belonging to a company and, ultimately, the management of the entire telecommunications system.

PaaS (Platform as a Service)

One of the three cloud service models offered. With a PaaS offering from a cloud provider, the consumer is able to distribute self-created applications or applications acquired by third parties on the cloud infrastructure using programming languages, libraries, services and tools supported by the provider. The consumer does not manage or control the underlying cloud infrastructure, including the network, server, operating systems, memory, but has control over the applications and possibly over the hosting environment configurations.

Packet-Switched Services

Data services that use packet switching.

Pay-Per-View (PPV)

System in which the spectator pays to see a single program (such as a sporting event, film or concert) at the time of its broadcast.

Pay TV

Pay television channels.

PBX (Private Branch Exchange)

Equipment for private telephone networks (also called Switchboard)

PCS (Personal Communications Services)

A set of wireless voice and/or data communication capabilities, which provide services similar to mobile phone services.

PDH (Plesiochronous Digital Hierarchy)

A telecommunications network transmission technology (first standardized under ITU in 1988) designed to transport large volumes of data through large scale digital networks.

PE (Provider Edge router)

The boundary device between a service provider's local network and that of a customer.

Peering

The voluntary interconnection between internet networks, belonging to different and administratively distinct internet service providers, which allows users to exchange traffic between networks.

Market Penetration

The number of people (or subscribers) who buy a particular brand or category of good/service as a portion of the total population for which the service is available.

NRRP (National Recovery and Resilience Plan)

Platform

A running environment that includes hardware and software, applications and other tools to support the running of programs.

PNF (Physical Network Function)

A network function on physical HW that is hosted in Telco locations: static capacity, management via Element Manager.

PKI (Public Key Infrastructure)

A system used to manage digital certificates and public-private key pairs, and to protect electronic communications and transactions.

PoC (Proof of Concept)

Also known as proof of principle, PoC is the realization of a particular method or idea to demonstrate its viability, or an in-principle demonstration aimed at verifying that a particular concept or theory has practical potential.

PON (Passive Optical Network)

The optical network usually used for point-to-multipoint architectures in which no elements or devices play an "active" role in the section connecting the housing unit to the power plant; in other words, there are no devices that require electrical supply.

POP (Point Of Presence)

A network access point (router), provided by an internet service provider (ISP) that is capable of routing traffic to the end users connected to it.

POTS (Plain Old Telephone Service)

È il servizio di telefonia tradizionale (linea telefonica per la voce, servizi di telefonia fissa e accesso alla rete di telefonia vocale pubblica).

Price-Cap

Identifies the maximum price limit established by the regulator at which a service/product can be sold.

Prpl (Purple standard)

The prpl (Purple) project is an open-source initiative that develops software to improve the connectivity and security of smart home devices and Wi-Fi networks, with a focus on flexible, interoperable and user-controllable home networks. Prpl helps manufacturers and users create more efficient and secure networks.

PSTN (Public Switched Telephone Network)

The first-generation telephone network to provide a basic telephone service (see also RTG).

PTN (Packet Transport Network)

An equipment class that natively implements SDH and Ethernet technologies; in other words, it is able to carry and switch both of these two types of traffic separately. It is used to connect smaller, peripheral central offices to larger offices; this case of use occurs where alongside packet traffic (e.g. backhauling of mobile sites and broadband access) there is also circuit traffic (e.g. telephony, 2G backhauling).

QoE (Quality of Experience)

Also abbreviated to QoX, this is a measure of the overall level of customer satisfaction. QoE expresses user satisfaction both objectively and subjectively. The QoE paradigm can be applied to any service and product provided to the consumer.

QoS (Quality of Service)

A description or measurement of the overall performance of a service, such as a telephone or computer network, or a cloud computing service, in particular the performance seen by network users. To quantitatively measure QoS, several interrelated aspects of network service are often taken into account, such as packet loss, bit rate, throughput, transmission delay, availability, jitter, etc.

QKD (Quantum Key Distribution) – QKE (Quantum Key Exchange)

Quantum key distribution (QKD) A quantum mechanics system used to ensuring secure communications. It enables two parties to produce and share a random secret key only between each other, which they can use to encrypt and decrypt their messages. This exchange takes place by leveraging the quantum properties of photons. An important and unique property of quantum distribution is the ability of two communicating users to detect the presence of a third party trying to obtain information about the key, since a measurement process in a quantum system generally disturbs the system.

WEEE (Waste from Electrical and Electronic Equipment)

The electrical/electronic equipment that the owner intends to dispose of because it is broken, unused, or obsolete.

RAN (Radio Access Network)

The part of the mobile network that implements radio technologies, including both radio-interface data transport functions and control functions.

RAN Sharing

The most complete form of sharing the access network. It involves sharing all equipment in the access network, including antenna equipment, towers, and backhauls. Each of the RAN access networks is embedded in a single network, which is then split into separate networks at the core connection point.

Refarming

The reassignment of a mobile network operator's frequency band from one technology to another for optimization reasons (e.g. UMTS900 instead of GSM900 or LTE1800 instead of GSM1800).

Remote Unit (RU)

A logical node hosting the Low-PHY protocol layer and RF processing based on a lower layer functional split.

RNC (Radio Network Controller)

Devices (or nodes) that have the function of controlling radio resources within the 3G network.

ROADM (Reconfigurable Optical Add-Drop Multiplexer)

A remotely reconfigurable optical multiplier capable of switching traffic in a WDM (Wavelength-Division Multiplexing) system. Its use in a transmission network increases transport efficiency by allowing up to 90 high-bitrate channels (now up to 200Gbit/s) to be transported on a single fiber pair.

Roaming

An agreement between two or more mobile telephone operators, operating in the same territory or in different countries, whereby users subscribed to one operator can use the network of other operators.

The roaming service is activated, for example, when the terminal is used abroad, enabling a mobile radio user to access a network other than the one to which they are subscribed.

OSB (Optical Splitter for Buildings)

Passive optical device of the PON (Passive Optical Network), which splits an optical fiber entering the network into several fibers going out to property units or distributes incoming and outgoing fibers to lend flexibility to the optical network. It is installed a few meters from the home: it is often found in the building's meter room, but can also be mounted on an external wall, underground or inserted into a distributor.

RoHS (Restriction of Hazardous Substances)

European Directive No. 95 of 2002, which establishes rules restricting the use of dangerous substances in electrical and electronic equipment to contribute to the protection of human health and the environment.

Routed Optical Network (RON)

A network that combines IP routing with optical transport capabilities, without complex conversions between optical and electrical signals. This allows large amounts of data to be sent faster, reducing costs and energy.

RPA (Robotic Process Automation)

The automation, using software (robots), of repetitive tasks performed by human operators.

RTG (Rete Telefonica Generale)

Known in English as PSTN (Public Switched Telephone Network), this first-generation telephone network provided basic telephone services (see also PSTN).

SaaS (Software as a Service)

A cloud service model (see also Cloud), the SaaS (Software as a Service) model expresses the right given to a consumer to use a supplier’s applications and services operating on a cloud infrastructure. The applications are accessible from different devices through a lightweight interface (thin client), such as an email application in a browser, or from programs equipped with a special interface. The consumer does not manage or control the underlying cloud infrastructure, including the network, server, operating systems, memory, or even the capabilities of individual applications, with the possible exception of limited configurations intended for the consumer (parameterization).

SAR (Specific Absorption Rate)

Expresses the measurement of the percentage of electromagnetic energy absorbed by the human body when it is exposed to the action of a radio frequency (RF) electromagnetic field. See also EMF (Electromagnetic Field exposure limits).

SCEF (Service Capabilities Exposure Function)

Introduced in version 13 (LTE) of the 3GPP specifications, this function was designed to provide a means of securely displaying the services and functionality provided by 3GPP network interfaces.

SDH (Synchronous Digital Hierarchy)

A physical layer protocol (i.e. a transport protocol) used for time division multiplexing and the subsequent digital transmission of telephony and data in geographical telecommunications networks over optical fiber, electrical cable or radio bridge. Networks that use this physical layer protocol are called SDH networks.

SDK (Software Development Kit)

SDK is a collection of software development tools in an installable package to facilitate the creation of applications.

SDN (Software Defined Networking)

A network virtualization based paradigm that aims to transform traditional networks into flexible and intelligent platforms to respond in real time to bandwidth needs and the dynamic nature of modern applications.

SD WAN (Software Defined WAN)

In the field of networking, SD-WAN (Software Defined WAN) solutions represent an innovation of traditional Wide Area Network solutions and Edge IP Networking, developed to offer advanced connectivity services aimed at business customers. SD-WAN solutions work agnostically from access and WAN transport network technology, using dynamic application-based data routing strongly integrated with Multi-Cloud solutions to link certain value-added services such as WAN optimization, application monitoring and advanced security to connectivity.

Segment Routing (SR)

A technology that simplifies the routing of network traffic using predefined segments contained in packets. SRv6 uses IPv6 addresses to define segments and is ideal for modern, flexible networks, while SR-MPLS is based on MPLS labels and is more suited to existing legacy infrastructure.

Service Discovery

The process of finding and identifying the location of a service, typically performed using a service record or naming service.

Service Exposure

Infrastructure for the exposure of API (Application Programming Interface) functions both to third parties (e.g. business partners) and for internal use.

Service Mesh

A configurable infrastructure layer for applying microservices, which makes communication between service instances flexible, reliable, and fast.

Service Orchestration

Refers to a single, centralized business process runnable through an orchestrator (e.g. a software platform), which coordinates the interaction between various services and is responsible for their invocation and composition, as well as for the management of transactions between individual services. Service Orchestration is often compared to Service Choreography, which instead creates a decentralized approach to service composition, where each of the services that participate in the choreography implement a self-consistent process/workflow.

Service Provider

Someone who offers users (residential or business) a range of content or services under a supply contract.

Universal Service

The guarantee given to all users from a national territory (regardless of their geographical location) that they will be able to use certain electronic communications services at a pre-established quality level and at an affordable price, as an expression and practical application of a fundamental citizen right.

SIP Trunking (Session Initiation Protocol Trunking)

A service offered by a communication service provider that uses the protocol to provide Voice over IP (VoIP) connectivity between a local telephone system and the public switched telephone network (PSTN). SIP is used to connect, manage and terminate a call.

SLA (Service Level Agreement)

Contractual tools which define the service metrics (e.g. quality of service) that must be respected by a service provider (provider) towards its customers/users.

Small Cell

Low-energy nodes for accessing the radio spectrum. Smaller than the antennae usually used in mobile telephony, these can be used both to cover outdoor areas (squares, pedestrian streets, etc.) and to cover indoor hot spots (airports, stadiums, shopping malls, stations, hospitals, university campuses, etc.).

Urban Group Stage (UGS)

Local switching center for telephone traffic transport, routing and transmission. See also *Central Office*.

Line Stage (LS)

See *Central Office*.

Shared Access

The provision of access to only the upper portion of the spectrum available on the access operator's local copper network to allow the provision of broadband services.

SLU (Sub Loop Unbundling)

The provision of access to the Operator's local copper subnet (i.e. to the portion of the network between the user's location and the distribution cabinet or an intermediate concentration point).

SME (Small Medium Enterprise)

The market segment of small and medium-sized businesses that have between 3 and 50 employees.

Smart City

Refers to an urban area that uses integrated ICT technologies to optimize resources in key areas: mobility, communication, economy, work, environment, administration and construction. From an infrastructural point of view, the networked use of available resources improves economic and political efficiency and can facilitate social, cultural and urban development.

Smartphone

An electronic device that combines the functions of a mobile phone and those of a handheld computer equipped with a full operating system.

Smart TV

The new generation of televisions which allow users to enjoy audio-video multimedia content (movies, TV series, music videos, gaming, etc.) through an internet connection.

SMS (Short Message Service)

Short text messages that can be sent and received on mobile phones connected to GSM networks. The maximum text length is 160 alphanumeric characters.

SOHO (Small Office / Home Office)

A market segment consisting of small businesses that use telephone lines, instead of dedicated lines, for internet connections. These are small businesses, generally with one or two employees, and businesses conducted from home.

SON (Self-Organizing Network)

A set of technologies and architectures which, in the area of mobile radio networks, allow Operators to introduce technological enablers for the automation of the network configuration, optimization and assurance processes.

Optical Splitter

A passive element of the optical network used to create point-to-multipoint optical networks. The optical splitter receives a single optical fiber at the input (OLT side) and outputs N signals on N optical fibers (1:N splitting factor). In the downstream direction (from OLT to ONT), the splitter "copies" the input light onto the output optical fibers, thus dividing the light power by N. In the upstream direction (from ONT to OLT), the splitter r aggregates the light contributions carried by the N optical fibers.

Switch

- Telephone switch: a synonym for Central Office (i.e. equipment used to establish and direct telephone calls to a number called through other Central Offices). They may also record information for billing and control purposes;
- Network switch: data network devices capable of receiving and forwarding packets using level 2 information on the OSI model (i.e. hardware addresses of other devices).

Synchronous

A type of data transmission in which there is permanent synchronization between the transmitter and the receiver.

STB (Set-Top Box)

A user device capable of receiving TV signals from a communication network (such as broadband/ ultrabroadband access networks, terrestrial TV broadcasting, satellite TV broadcasting, etc.) and sending them to TV devices or other display devices (monitors, projectors, etc.) It may include Conditional Access functions to manage paid content.

Tablet

Small laptop computer where it is possible to write or give commands on the screen with the touch of your fingers or with a special stylus.

RLP (Remote Line Powering)

Technique to power road equipment (such as ultra-broadband devices placed in the splitting cabinets of Fiber to the Cabinet architecture) from the Central Office.

TCO (Total Cost of Ownership)

The overall cost of an asset (e.g. computer equipment) across its lifecycle. The TCO includes both direct costs (hardware costs, network infrastructure, licenses) and indirect costs (management, maintenance, energy consumption).

TDD (Time Division Duplexing)

TDD (Time Division Duplex) refers to duplex communication links where uplink is separated from downlink by allocating different time intervals in the same frequency band. It is a transmission scheme that allows an asymmetric flow for the transmission of data upstream and downstream. Users are assigned time frames for uplink and downlink transmission.

TDMA (Time Division Multiple Access)

Technology for the digital transmission of radio signals, such as between a mobile phone and a base radio station. TDMA technology divides signals into sequential parts of a defined length, placing each part in a specific interval information channel and then recomposing the parts at the end of the channel.

TIC (Transparent Internet Caching)

A special form of network caching that is transparent to both the requestor and the requestee. The TIC transparently intercepts the content request and delivers the requested content if its cache has a copy.

TM Forum (TeleManagement Forum)

A global industry association of more than 850 companies that collaborate to reduce technological and cultural barriers between digital service providers and their technology and service providers, system integrators, and consultants in the telecommunications sector.

ToIP (Telephony over IP)

Often used synonymously with VoIP, this term, however, has a broader meaning as it includes advanced telephony services (such as video, messaging and call processing services, etc.) in addition to basic voice calling.

Analog Transmission

A method of transmitting voice, data, image, or video information using a continuous signal that varies in amplitude, phase, or other properties, in proportion that of a variable. One example is the transfer of a source signal using an analog modulation method such as frequency modulation (FM) or amplitude modulation (AM), or no modulation at all. In Telco networks, analog transmission has commonly been replaced by digital transmission technologies.

TRX

Radio transmitters located in BTS.

TTM (Time-To-Market)

The total time needed to bring a product its conception to its availability on the market. Companies use time-to-market metrics when developing and introducing new products to achieve first-mover advantages (e.g. market share, sales revenue).

UMTS (Universal Mobile Telecommunications System)

See 3G.

Unbundling

The service that allows telephone operators other than Telecom Italia to rent the final part of the telephone wire pair, that is, the copper cable that connects the Telecom Italia unit to the user location by disconnecting it from Telecom devices and connecting it to their own.

UPF 5G (User Plane Function)

A fundamental component of the architecture of the 3GPP's New Radio (NR) mobile core infrastructure system. UPF is the evolution of the data plan for a Control and User Plane (CUPS) separation strategy, introduced for the first time by 3GPP in their Release 14 specifications as an extension of the existing 4G/LTE EPC (Evolved Packet Core).

UPS

Uninterruptible power supply.

URLLC (Ultra-Reliable Low-Latency Communication)

A set of features that offer low latency and very high reliability for mission-critical applications such as the industrial internet, smart grids, remote surgery, and vRAN intelligent transport systems.

V2X (Vehicle-to-Everything)

A system – a family of use cases – which enables vehicles to communicate with other vehicles (V2V), infrastructure (V2I), network servers (V2N) and vulnerable users (pedestrians and cyclists) using existing communications technologies in order to improve safety, traffic efficiency and overall mobility. Communication can take place either directly between devices (over 3GPP PC5 and IEEE ITS-G5 standard interfaces) or indirectly via the network (V2N2X); In the latter case, the only available technology is 3GPP technology over Uu interface.

VAS (Value-Added Services)

Services that provide customers with additional functions compared to the basic services offered by a telecommunications network. In first-generation telephony (PSTN) and mobile networks, telephony (switched voice communications, first analog then digital) was considered a basic service, while VAS could include either data transmission and fax services or call processing services (e.g. call waiting, call forwarding, etc.).

Subsequently, call processing based VAS expanded with additional features such as toll-free numbers, virtual private phone networks, etc. A new class of VAS developed over mobile networks, including messaging services such as SMS and MMS. In parallel, the development of data networks has led data transmission services (e.g. initially X25, then Frame Relay, ATM, Ethernet, IP) to be considered basic services for these networks, for which VASs can include address translation, virtual lines and virtual data networks, traffic prioritization, encryption, etc.

Another area of VAS concerns content provided by certified network service providers, from services provided over the telephone network to content provided via SMS (news, weather, etc.) and then from content consumable via mobile and fixed browsing to video content streaming.

VDSL (Very-high-data-rate Digital Subscriber Line)

Access technology that makes it possible to provide the customer, through a special device installed in the house (VDSL modem) with voice and TV services over a traditional telephone pair at downstream speeds of up to 50 megabits per second.

VDSL2 (Very-high-data-rate Digital Subscriber Line 2)

"2nd generation" VDSL, which is capable of reaching peak downstream speeds in the order of hundreds of Megabits per second. The actual speed depends on the distance between the customer's device and the network device; for example, at a distance of a few hundred meters, the attainable speed is about 100 megabits per second. For this reason, network devices are typically placed in splitting cabinets so as to be closer to the customer. An evolution of VDSL2 called eVDSL (enhanced VDSL) enables effective speeds of about 200 megabits per second. This has recently been deployed in the TIM network.

Vectoring

Transmission technology that eliminates mutual interference (crosstalk) between copper lines embedded in the same cable. Of particular interest is the use on VDSL/VDSL2/eVDSL lines given the increasing penetration of ultrabroadband services, which would make interference more sensitive. From this perspective, vectoring makes it possible to maintain the typical performance of the above-mentioned technologies. The technology is located in ONU equipment where, to be effective, it must be applied to all lines of a given cable; therefore, in the case of SLU (Sub Loop Unbundling) – i.e. where the ONUs of several operators deploy the lines of a given cable – a more complex implementation is necessary,: MOV (Multi-Operator Vectoring), which coordinates the vectoring of the various ONUs.

Virtualization

A function implementation approach which uses only software that can be run on commercial, generally non-dedicated hardware, as opposed to approaches that also use specialized and/or dedicated hardware.

Virtual Machine (VM)

Software which, through a virtualization process, creates a virtual environment that typically emulates the behavior of a physical machine without the underlying hardware that allows organizations to scale processing power, test malware and develop software.

VLAN (Virtual Local Area Network)

A virtualized connection that connects multiple devices and network nodes from different LANs in a logical network.

VLR (Visitor Location Register)

A database used in mobile networks to temporarily store subscriber information and track the location of mobile devices when they are active.

VNF (Virtual Network Function)

The virtualized network function on HW COTS (Commercial Off The Shelf) is hosted at Telco Data Center with flexible capacity, use of a Virtual Machine and manual or automatic Life Cycle Management.

VOD (Video On Demand)

The provision of television programs on the user's demand in exchange payment of a subscription or a fee for each program (e.g. a movie or football match) purchased. This is particularly widespread for satellite television and cable TV. Possible payment models are: SVOD (subscription to a VOD catalog) and TVOD (payment for a single content viewed).

VoIP (Voice Over IP)

Technology that enables a telephone conversation to be conducted using an Internet connection or other dedicated network using the IP protocol, instead of going through the normal telephone transmission line.

VoLTE/ViLTE (Voice over LTE/Video over LTE)

A service that provides voice and video calls over IP through LTE radio access, controlled by the standard ToIP architecture called IMS (IP Multimedia Subsystem). VoLTE/ViLTE are defined together because the service is essentially the same for voice and video, differing only in the type of media streams that are established. As a standards-based service, it achieves interoperability between user terminals and between the user terminals and networks.

VonR (Voice Over New Radio)

A service that provides Voice over IP calls through New Radio radio access.

VPN (Virtual Private Network)

A network designed for a business customer or public body, using the infrastructure of a carrier providing customized services, which operates in such a way as to appear dedicated to that specific user.

VR (Virtual Reality)

The use of computer technology to create a simulated environment that can be explored at 360 degrees. Unlike traditional interfaces, virtual reality places the user within the virtual environment, offering an experience with different degrees of immersion depending on the device used.

VRAN (Virtual Radio Access Network)

An architecture applied in 4G/5G networks that requires the Base Station to be divided into two parts: a Centralized Unit and a Remote or Distributed Unit. The former is typically placed in a more centralized site than the antenna sites and performs baseband signal processing, causing it to be known as BBU (BaseBand Unit), whereas the latter, which remains at the antenna site to provide radio coverage, is also known as RRU (Remote Radio Unit). Given this division, the Centralized Unit can be implemented as a Virtual Network Function on an appropriate hardware infrastructure: hence the “virtual” header.

A fundamental aspect to make this architecture practical is the choice to split the Base Station functions between Centralized and Distributed Units, which impacts the connection requirements between CU and DU (midhaul). In 5G evolutions, this aspect has been addressed by identifying splitting options that are candidates to be standardized.

VULA (Virtual Unbundling Local Access)

A wholesale service offered by the dominant operator to alternative operators, whereby the former provides the latter with data traffic transportation on its broadband access network (“bit streams”) between end customers and the interconnection point where the alternative operator receives the traffic. In the specific case of Telecom Italia, the interconnection point is located at the Local Central Office, next to the OLT (Optical Line Termination), the optical access network termination device.

W3C (World Wide Web Consortium)

The World Wide Web Consortium (W3C) is the leading international organization for standardizing the World Wide Web. The W3C standards define the fundamental parts of what makes the World Wide Web work.

WAN (Wide Area Network)

A private network that covers a large geographical area through the use of public telecommunications services.

WDM (Wavelength Division Multiplexing)

Technology which enables different information flows with distinct and separable wavelengths to be transported on a single optical fiber.

Web Service

A software system designed to support interoperability between different computers on the same network or in a distributed context (see the definition of W3C).

Wi-Fi

Wireless technology for creating data connections in a limited area, generally within a hundred meters, and with speeds of up to tens of Megabits per second. Typical uses are home or office use as an alternative to a wired LAN, or in a public environment to provide internet access, or even to connect devices (e.g. a laptop with an internet-connected smartphone).

WLL (Wireless Local Loop)

The provision of a customer access equivalent (i.e. the connection between the customer location and the central office) using wireless technologies rather than cables.

Wi – Max (Worldwide Interoperability for Microwave Access)

Technology that enables wireless access to broadband telecommunications networks, initially specified to operate over distances of up to tens of kilometers and with speeds in the order of tens of Megabits per second. It was defined by the WiMAX Forum, a worldwide consortium formed in 2001 by the leading fixed and mobile telecommunications companies for the purpose of developing, promoting and testing the interoperability of systems based on IEEE standards.

WLR (Wholesale Line Rental)

A telephone-only wholesale service offered by the dominant operator to alternative operators, whereby the alternative operator obtains a service similar to ULL without the need to install their equipment at Local Central Offices. Technically, this is similar to Carrier Preselection (CPS) and differs commercially in that the end customer is not a subscriber to the dominant operator's access service and does not receive invoices from the latter; this allows alternative operators to provide customers with both access and traffic services and to produce a single invoice for both services.

WTTX (Wireless to the X)

WTTx is a 4G and 4.5G based broadband access solution, which uses wireless to provide fiber-like broadband access for home use.

xDSL (Digital Subscriber Line)

Technology that uses normal telephone lines and encompasses different categories such as ADSL (Asymmetric DSL), HDSL (High-Data-Rate DSL) and VDSL (Very High Bit Rate DSL) and eVDSL (Enhanced Very High Bit Rate DSL). With this technology, the digital signal occupies high frequencies, so the data transfer rate is higher.

XR (eXtended Reality)

The extension of reality using devices that enable AR, VR, MR and all their combinations.

USEFUL INFORMATION

The Annual Financial Report 2024 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.

The Annual Corporate Governance Report and the Remuneration Report can be viewed by respectively accessing: www.gruppotim.it/it/gruppo/governance/strumenti-governance/relazione-governo-societario.html e www.gruppotim.it/it/gruppo/governance/remunerazione/relazione.html.

Information on TIM is also available at www.gruppotim.it and information on products and services at www.tim.it.

Finally, 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;
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